CareEdge
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Industry Research Report
on
Indian Gems and Jewellery Sector

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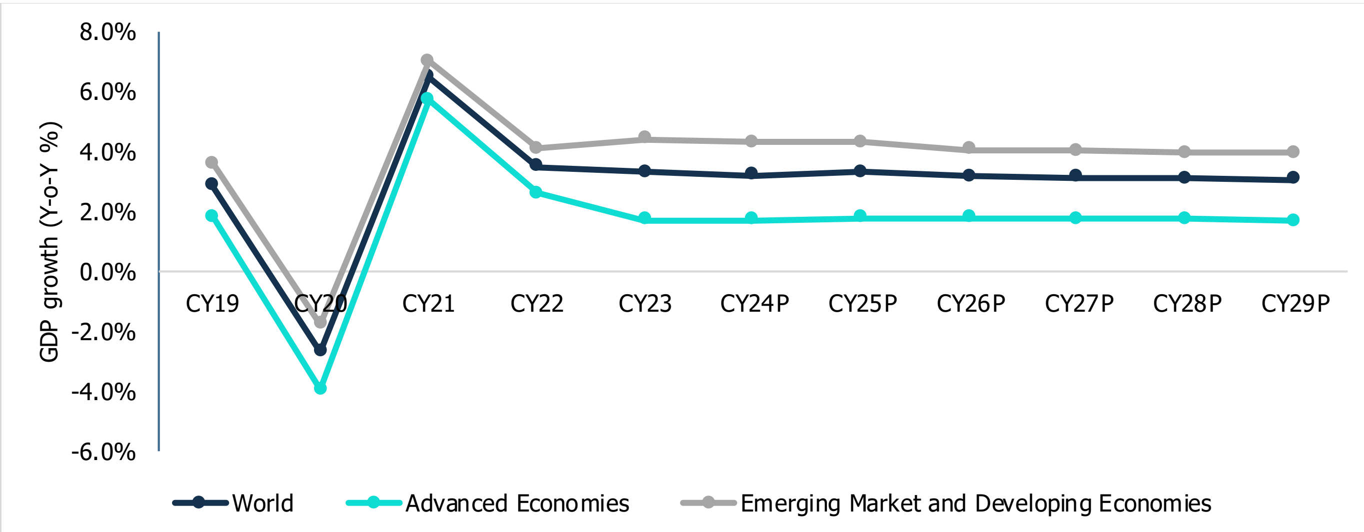
1. Economic Outlook

1.1 Global Economy

Global growth, which stood at 3.3% in CY23, is anticipated to fall to 3.2% in CY24 and then bounce back again to 3.3% in CY25. The CY24 forecast has remained same compared to the April 2024 World Economic Outlook (WEO) Update, and increased by 0.1 percentage point compared to the January 2024 WEO. Despite this, the expansion remains historically low, attributed to factors including sustained high borrowing costs, inflation woes, reduced fiscal support, lingering effects of Russia's Ukraine invasion, Iran–Israel Cold War, sluggish productivity growth, and heightened geo-economic fragmentation.

Chart 1: Global Growth Outlook Projections (Real GDP, Y-o-Y change in %)



Notes: P-Projection; Source: IMF – World Economic Outlook, July 2024

Table 1: GDP growth trend comparison - India v/s Other Economies (Real GDP, Y-o-Y change in %)

	Real GDP (Y-o-Y change in %)Real GDP (Y-o-Y change in %)									
	CY20	CY21	CY22	CY23	CY24P	CY25P	CY26P	CY27P	CY28P	CY29P
India	-5.8	9.7	7.0	8.2	7.0	6.5	6.5	6.5	6.5	6.5
China	2.2	8.5	3.0	5.2	5.0	4.5	3.8	3.6	3.4	3.3
Indonesia	-2.1	3.7	5.3	5.0	5.0	5.1	5.1	5.1	5.1	5.1
Saudi Arabia	-3.6	5.1	7.5	-0.8	1.7	4.7	4.0	3.5	3.0	3.5
Brazil	-3.3	4.8	3.0	2.9	2.1	2.4	2.1	2.0	2.0	2.0
Euro Area	-6.1	5.9	3.4	0.5	0.9	1.5	1.4	1.3	1.3	1.2
United States	-2.2	5.8	1.9	2.5	2.6	1.9	2.0	2.1	2.1	2.1

P- Projections; Source: IMF- World Economic Outlook Database (July 2024)

Advanced Economies Group

Advanced economies are expected to experience a gradual increase in growth, remaining same at 1.7% in CY23 and CY24 and increasing to 1.8% in CY25. The projection for CY24 and CY25 remains unchanged compared to the April 2024 WEO Update.

The **United States** is expected to see growth rise to 2.6% in CY24, followed by a slight slowdown to 1.9% in CY25. This deceleration is attributed to gradual fiscal tightening and labor market softening, which dampen aggregate demand. The CY24 projection has been revised downward by 0.1 percentage points since the April CY24 WEO Update. This revision primarily reflects carryover effects from stronger-than-expected growth in the fourth quarter of CY23, with some of this momentum expected to continue into CY24.

The **Euro Area's** growth is anticipated to rebound from its sluggish rate of 0.5% in CY23, mainly influenced by significant exposure to the conflict in Ukraine. Projections indicate an increase to 0.9% in CY24 and further to 1.5% in CY25. This recovery is driven by stronger household consumption, as the impact of elevated energy prices diminishes and declining inflation bolsters real income growth. Additionally, strong momentum in services, higher than expected net exports, and higher investments have further driven this growth. But, countries like Germany are expected to have a sluggish recovery on account of weak manufacturing growth.

Emerging Market and Developing Economies Group

Emerging market and developing economies are forecasted to maintain stable growth at 4.3% in both CY24 and CY25. This forecast has been revised upwards by 0.1 percentage point as compared to the April 2024 WEO update on account of stronger activity in Asia, particularly China and India. Growth prospects in economies across the Middle East and Central Asia continue to be weighed down by oil production and regional conflicts. Growth forecast of sub-Saharan Africa has also been revised downward on account of weak economic activity. Low-income developing countries are anticipated to experience a gradual growth uptick, starting at 3.9% in CY23 and climbing to 4.4% in CY24 and 5.3% in CY25, as certain constraints on near-term growth begin to ease.

The economic forecast for emerging and developing Asia reveals a modest deceleration in growth, with projections indicating a decline from 5.7% in CY23 to 5.4% in CY24 and 5.1% in CY25. **China's** trajectory reflects a slowdown, transitioning from 5.2% in CY23 to 5.0% in CY24 and 4.5% in CY25 due to fading post-pandemic stimuli and ongoing property sector challenges. In contrast, **India's** growth remains robust, with anticipated rates of 7.0% in CY24 and 6.5% in CY25, bolstered by resilient domestic demand and a burgeoning working-age populace.

The **Indonesian** economy is expected to register growth of 5.0% in CY24 and 5.1% in CY25 with a strong domestic demand, a healthy export performance, policy measures, and normalization in commodity prices. **Saudi Arabia's** growth slowed at -0.8% in CY23 attributed to lower oil production. CY24 is predicted to see a revamp in the growth rates to 1.7% on account of Vision 2030 reforms that helped advance the country's economic diversification agenda, including through reduced reliance on oil. The forecast for CY24 has been revised downward as compared to the April 2024 WEO update on account of extension of oil production cuts. Going forward, GDP is expected to grow at 4.7% and 4.0% in CY25 and CY26, respectively. On the other hand, **Brazil's** growth is projected to ease to 2.1% in CY24, driven by fiscal consolidation, the lingering impact of tight monetary policies, and reduced contributions from the agricultural sector. There has been a downward revision in forecast for CY24 compared to April 2024 WEO update on account of the near-term impact of flooding. Going forward, GDP is expected to grow at 2.4% in CY25 on account reflecting reconstruction following the floods and supportive structural factors.

Despite the turmoil in the last 2-3 years, India bears good tidings to become a USD 5 trillion economy by CY27. According to the IMF dataset on Gross Domestic Product (GDP) at current prices, the nominal GDP has been at USD 3.6 trillion for CY23 and is projected to reach USD 5.3 trillion by CY27 and USD 6.4 trillion by CY29. India's expected GDP growth rate for coming years is almost double compared to the world economy.

Besides, India stands out as the fastest-growing economy among the major economies. The country is expected to grow at more than 6.5% in the period of CY24-CY29, outshining China's growth rate. By CY27, the Indian economy is estimated to emerge as the third-largest economy globally, hopping over Japan and Germany. Currently, it is the third-largest economy globally in terms of Purchasing Power Parity (PPP) with a ~7.6% share in the global economy, with China [~18.7%] on the top followed by the United States [~15.6%]. Purchasing Power Parity is an economic performance indicator denoting the relative price of an average basket of goods and services that a household needs for livelihood in each country.

Despite Covid-19's impact, high inflationary environment and interest rates globally, and the geopolitical tensions in Europe, India has been a major contributor to world economic growth. India is increasingly becoming an open economy as well through growing foreign trade. Despite the global inflation and uncertainties, Indian economy continues to show resilience. This resilience is mainly supported stable financial sector backed by well-capitalized banks and export of services in trade balance. With this, the growth of Indian economy is expected to fare better than other economies majorly on account of strong investment activity bolstered by the government's capex push and buoyant private consumption, particularly among higher income earners.

1.2 Indian Economy Outlook

1.2.1 GDP Growth and Outlook

Resilience to External Shocks remains Critical for Near-Term Outlook

India's real GDP grew by 7.0% in FY23 and stood at ~Rs. 161 trillion, as per the First Revised Estimate, despite the pandemic in previous years and geopolitical Russia-Ukraine spillovers. In Q1FY24, the economic growth accelerated to 8.2%. The manufacturing sector maintained an encouraging pace of growth, given the favorable demand conditions and lower input prices. The growth was supplemented by a supportive base alongside robust services and construction activities. This momentum remained in the range in the Q2FY24 with GDP growth at 8.1%, mainly supported by acceleration in investments. However, private consumption growth was muted due to weak rural demand and some moderation in urban demand amid elevated inflationary pressures in Q2FY24. The GDP growth number improved for Q3FY24 at 8.6%.

India's GDP at constant prices surged to Rs. 47.24 trillion in Q4FY24 from Rs. 43.84 trillion in Q4FY23, marking a 7.8% growth rate. This upswing was fueled by robust performances in construction, mining & quarrying, utility services, and manufacturing sectors and investment drove the GDP growth, while both private and government consumption remained subdued.

Real GDP in the year FY24 is estimated to grow at 8.2% at Rs. 173.82 trillion as per provisional estimate of the Ministry of Statistics and Programme Implementation. It is expected that domestic demand, especially investment, to be the main driver of growth in India, amid sustained levels of business and consumer confidence.

GDP Growth Outlook

- Driven by fixed investment and improving global environment, domestic economic activity continues to expand. The provisional estimates (SAE) placed real GDP growth at 8.2% for FY24.
- Industrial activity led by manufacturing continues its momentum on the back of strengthening domestic demand. The eight core industries also show healthy growth. Moreover, services sector shows exhibit broad based buoyancy. The purchasing managers' index for both manufacturing and services continues to exhibit a sustained and healthy expansion.
- The outlook for agriculture and rural activity appears bright owing to good rabi wheat crop and expected improvements in kharif crop due to expected normal south-west monsoon. This combined with increasing rural demand on the back of improving farm activity, improvement in informal activity, improving employment condition, and alleviating inflationary pressures are expected to boost private investment. Additionally, consumption is expected to support economic growth in FY25 owing to strengthening rural demand.

- Investment activity is also expected to be further supported by sustained and robust government spending, strong financial positions of banks and corporations, increasing capacity utilization, and rising business confidence as indicated by surveys. Additionally, improving global economic growth and trade prospects are expected to boost external demand for goods and services.

Persistent geopolitical tensions and volatility in international commodity prices do pose risk to this outlook. Based on these considerations, the RBI, in its June 2024 monetary policy, has projected real GDP growth at 7.2% y-o-y for FY25.

Table 2: RBI's GDP Growth Outlook (Y-o-Y %)

FY25P	Q1FY25P	Q2FY25P	Q3FY25P	Q4FY25P
7.2%	7.3%	7.2%	7.3%	7.2%

Note: P-Projected; Source: Reserve Bank of India

1.2.2 Gross Value Added (GVA)

Gross Value Added (GVA) is the measure of the value of goods and services produced in an economy. GVA gives a picture of the supply side whereas GDP represents consumption.

Industry and Services sector leading the recovery charge

• The gap between GDP and GVA growth turned positive in FY22 (after a gap of two years) due to robust tax collections. Of the three major sector heads, the service sector has been the fastest-growing sector in the last 5 years.

• The **agriculture sector** was holding growth momentum till FY18. In FY19, the acreage for the rabi crop was marginally lower than the previous year which affected the agricultural performance. Whereas FY20 witnessed growth on account of improved production. During the pandemic-impacted period of FY21, the agriculture sector was largely insulated as timely and proactive exemptions from COVID-induced lockdowns to the sector facilitated uninterrupted harvesting of rabi crops and sowing of kharif crops. However, supply chain disruptions impacted the flow of agricultural goods leading to high food inflation and adverse initial impact on some major agricultural exports. However, performance remained steady in FY22.

In FY23, the agriculture sector performed well despite weather-related disruptions, such as uneven monsoon and unseasonal rainfall, impacting yields of some major crops and clocked a growth of 4% y-o-y, garnering Rs. 22.3 trillion.

In Q1FY24, this sector expanded at a slower pace of 3.7% y-o-y growth compared to y-o-y growth a quarter ago. This further stumbled to 1.7% in Q2FY24.Further, it experienced y-o-y growth of 0.4% in Q3 and 0.6% in Q4. leading to expectations of a modest 1.4% rise for the full year, contrasting sharply with the 4.7% growth recorded in FY23. In the Interim Budget 2024-25, the government plans to boost private and public investment in post-harvest activities and expand the application of Nano-DAP across agro-climatic zones. Strategies for self-reliance in oilseeds and dairy development are to be formulated, alongside ramping up the Pradhan Mantri Matsaya Sampada Yojana and establishing Integrated Aquaparks. Allocation for PM-Formalisation of Micro Food Processing Enterprises scheme has increased from Rs. 639 in FY24 to Rs. 880 crores in FY25.

Going forward, rising bank credit to the sector and increased exports will be the drivers for the agriculture sector. However, a deficient rainfall may have impact on the reservoir level, weighing on prospects of Kharif sowing. Considering these factors, the agriculture sector is estimated to attain Rs. 23.7 trillion and mark 1.4% y-o-y growth for complete FY24.

• From March 2020 onwards, the nationwide lockdown due to the pandemic significantly impacted the **industrial sector**. In FY20 and FY21, this sector felt turbulence due to the pandemic and recorded a decline of 1.4% and 0.9%, respectively, on a y-o-y basis. With the opening up of the economy and resumption of industrial activities, it registered 11.6% y-o-y growth in FY22, albeit on a lower base.

The industrial output in FY23 grew by only 2.1% with estimated value Rs. 44.74 trillion owing to decline in manufacturing activities.

The industrial sector grew by 6.0% in Q1FY24, while Q2FY24 growth was up by 13.6% owing to positive business optimism and strong growth in new orders supported manufacturing output. The industrial growth was mainly supported by sustained momentum in the manufacturing and construction sectors. Within manufacturing, industries such as pharma, motor vehicles, metals, petroleum and pharma witnessed higher production growth during the quarter. The construction sector (13.6% growth in Q2FY24) benefited from poor rainfall during August and September and higher implementation of infrastructure projects. This was reflected in robust cement and steel production and power demand in Q2FY24. Overall, H1FY24 picked up by 9.3% with manufacturing and construction activities witnessing significant acceleration. In Q3FY24, growth rate slowed down to 10.5%. It further fell down to 8.4% in Q4FY24.

India's industrial sector is experiencing strong growth, driven by significant expansion in manufacturing, mining, and construction. This growth is supported by positive business sentiment, declining commodity prices, beneficial government policies like production-linked incentive schemes, and efforts to boost infrastructure development. These factors collectively contribute to the sustained buoyancy in industrial growth due to which the industrial growth is estimated at 9.5% on y-o-y basis registering the value of Rs. 48.9 trillion in FY24.

- The **Services sector** was the hardest hit by the pandemic and registered an 8.2% y-o-y decline in FY21. The easing of restrictions aided a fast rebound in this sector, with 8.8% y-o-y growth witnessed in FY22.

Overall, in FY23, benefitting from the pent-up demand, the service sector was valued at Rs. 80.6 trillion and registered growth of 10.0% y-o-y.

In Q1FY24, the services sector growth jumped to 10.7%. Within services, there was a broad-based improvement in growth across different sub-sectors. However, the sharpest jump was seen in financial, real estate, and professional services. Trade, hotels, and transport sub-sectors expanded at a healthy pace gaining from strength in discretionary demand. The service sector growth in Q2FY24 moderated to 6.0% partly due to the normalization of base effect and some possible dilution in discretionary demand. Considering these factors, service sector marked 8.3% growth in H1FY24. In Q3FY24 growth increased to 7.1% compared to 7.2% last year in the same quarter. In Q4FY24, growth declined to 6.7% compared to 7.2% last year in the same quarter.

With this performance, steady growth in various service sector indicators like air passenger traffic, port cargo traffic, GST collections, and retail credit are expected to support the services sector. With this, the growth of service sector is estimated at Rs. 86.7 trillion registering 7.6% growth in FY24 overall.

Table 3: Sectoral Growth (Y-o-Y % Growth) - at Constant Prices

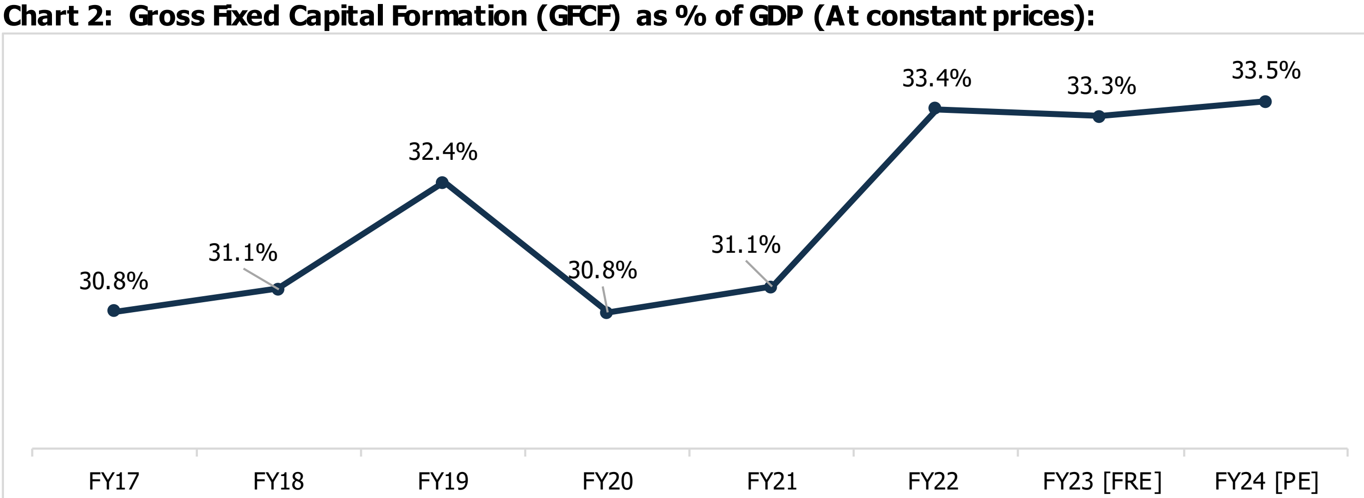
At constant Prices	FY19	FY20	FY21	FY22	FY23 (FRE)	FY24 (PE)
Agriculture, Forestry & Fishing	**2.1**	**6.2**	**4.1**	**3.5**	**4.7**	**1.4**
Industry	**5.3**	**-1.4**	**-0.9**	**11.6**	**2.1**	**9.5**
Mining & Quarrying	-0.9	-3.0	-8.6	7.1	1.9	7.1
Manufacturing	5.4	-3.0	2.9	11.1	-2.2	9.9
Electricity, Gas, Water Supply & Other Utility Services	7.9	2.3	-4.3	9.9	9.4	7.5
Construction	6.5	1.6	-5.7	14.8	9.4	9.9
Services	**7.2**	**6.4**	**-8.2**	**8.8**	**10.0**	**7.6**
Trade, Hotels, Transport, Communication & Broadcasting	7.2	6.0	-19.7	13.8	12.0	6.4
Financial, Real Estate & Professional Services	7.0	6.8	2.1	4.7	9.1	8.4
Public Administration, Defence and Other Services	7.5	6.6	-7.6	9.7	8.9	7.8
GVA at Basic Price	**5.8**	**3.9**	**-4.2**	**8.8**	**6.7**	**7.2**

Note: FRE – First Revised Estimates, PE – Provisional Estimate, FAE – First Advance Estimate; Source: MOSPI

1.2.3 Investment Trend in Infrastructure

Gross Fixed Capital Formation (GFCF), which is a measure of the net increase in physical assets, witnessed an improvement in FY22. As a proportion of GDP, it is estimated to be at 33.4%, which is the highest level in 5 years (since FY17). In FY23, the ratio of investment (GFCF) to GDP remained flat at 33.3%. Continuing in its growth trend, this ratio has reached 33.5% in FY24.

Chart 2: Gross Fixed Capital Formation (GFCF) as % of GDP (At constant prices):



Note: 3RE – Third Revised Estimate, 2RE – Second Revised Estimates, 1RE – First Revised Estimates, PE – Provisional Estimate, FAE-First Advance Estimate; Source: MOSPI

Overall, the support of public investment in infrastructure is likely to gain traction due to initiatives such as Atmanirbhar Bharat, Make in India, and the Production-linked Incentive (PLI) scheme announced across various sectors.

1.2.4 Industrial Growth

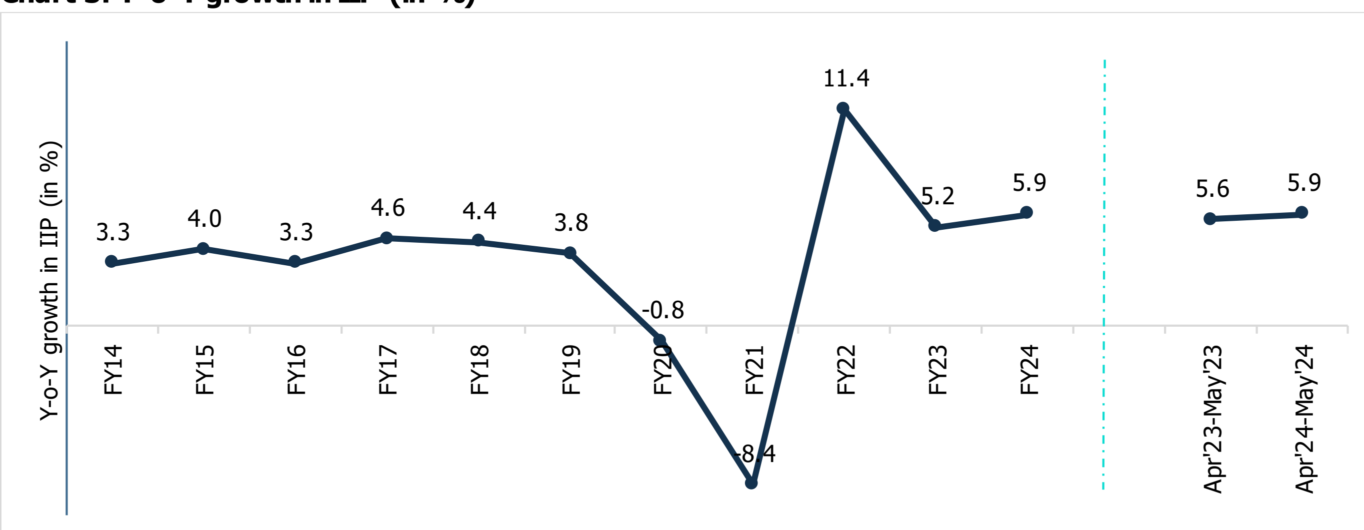
Improved Core and Capital Goods Sectors helped IIP Growth Momentum

The Index of Industrial Production (IIP) is an index to track manufacturing activity in an economy. On a cumulative basis, IIP grew by 11.4% y-o-y in FY22 post declining by 0.8% y-o-y and 8.4% y-o-y, respectively, in FY20 and FY21. This high growth was mainly backed by a low base of FY21. FY22 IIP was higher when compared with the pre-pandemic level of FY20, indicating that while economic recovery was underway.

During FY23, the industrial output recorded a growth of 5.2% y-o-y supported by a favorable base and a rebound in economic activities. The period April 2024 – May 2024, industrial output grew by 5.4% compared to the 5.1% growth in the corresponding period last year. For the month of May 2024, the IIP growth increased to 5.9% compared to the last year's 5.7%, on account of growth in mining and electricity. The manufacturing sector grew modestly with the top three contributors being Manufacture of basic metals, Manufacture of pharmaceuticals, medicinal, chemical, and botanical products, and Manufacture of electrical equipment.

So far in the current fiscal, the government's spending on infrastructure has been strong, but private investment hasn't picked up significantly yet. Consumer durables production increased due to favorable conditions, while non-durables saw a slight decline. Urban demand is driving consumption, while rural demand is still recovering. Good monsoon forecasts are positive, but high unemployment and food inflation pose challenges. Infrastructure/construction output is growing well due to government spending. Private investment and manufacturing capacity utilization are increasing, supporting hopes for private sector growth. Good monsoon could boost rural demand, but food inflation remains a concern. Overall, sustained improvements in consumption and private investment are crucial for industrial performance.

Chart 3: Y-o-Y growth in IIP (in %)



Source: MOSPI

1.2.5 Consumer Price Index

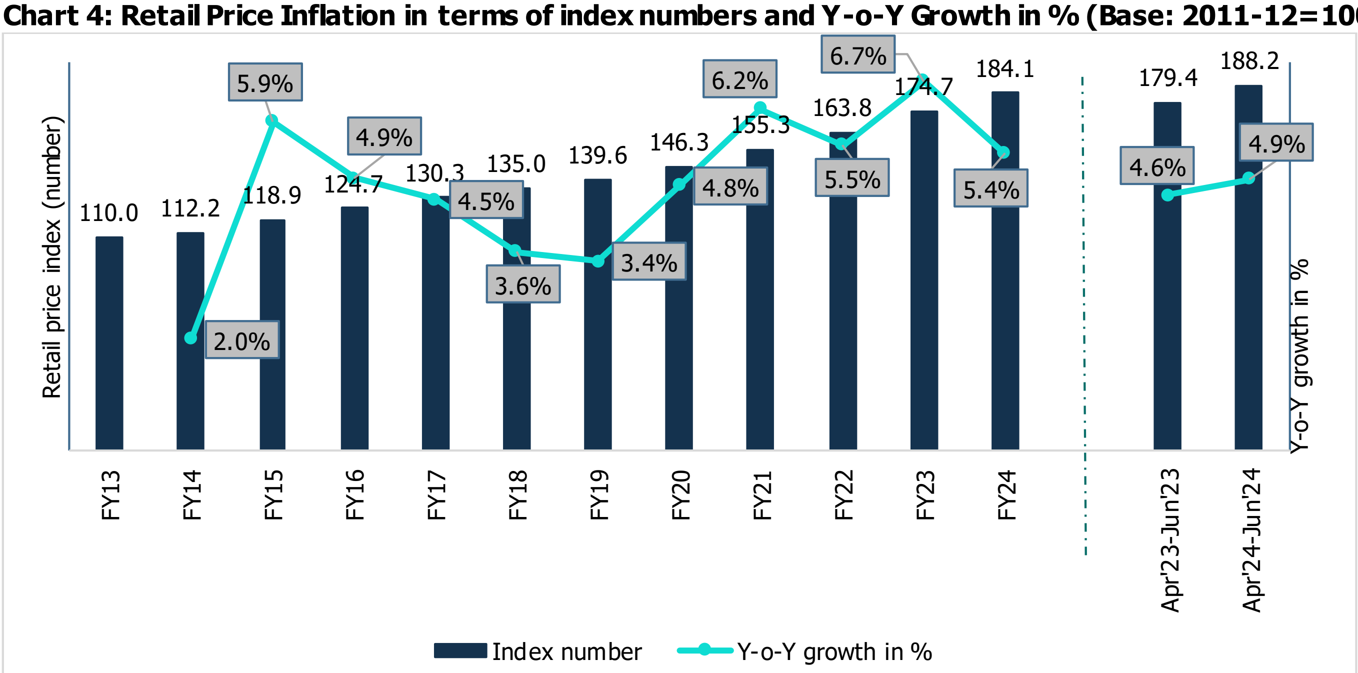
India's consumer price index (CPI), which tracks retail price inflation, stood at an average of 5.5% in FY22 which was within RBI's targeted tolerance band of 6%. However, consumer inflation started to upswing from October 2021 onwards and reached a tolerance level of 6% in January 2022. Following this, CPI reached 6.9% in March 2022.

CPI remained elevated at an average of 6.7% in FY23, above the RBI's tolerance level. However, there was some respite toward the end of the fiscal wherein the retail inflation stood at 5.7% in March 2023, tracing back to the RBI's tolerance band. Apart from a favorable base effect, the relief in retail inflation came from a moderation in food inflation.

In FY24, the CPI moderated for two consecutive months to 4.7% in April 2023 and 4.3% in May 2023. This trend snapped in June 2023 with CPI rising to 4.9%. In July 2023, the CPI had reached its highest point at 7.4%, this was largely due to increase in food prices. The notable surge in vegetable prices and in other food categories such as cereals, pulses, spices, and milk have driven this increase. In August 2023, the food inflation witnessed some moderation owing to government's active intervention. This was further moderated for second consecutive month in September 2023 to 5%, led by a sharp correction in vegetables prices and lower LPG prices. Helped by deflation in the fuel and light category, the retail inflation in October 2023 softened at 4.9%. This trend reversed in November 2023 due to spike in certain vegetable prices as well as sticky inflation in non-perishable food items such as cereals, pulses and spices and the CPI rose to 5.6%. In the month of December 2023, elevated food prices and an unfavourable base drove headline inflation to a four-month peak of 5.7%. However, in the month of January and February, food prices softened and the inflation was reported at 5.1% for both the months. March witnessed furthur softning of prices registering 4.9% growth. For FY24 inflation moderated to 5.4% which are within the boundaries set of 2% to 6% by the RBI.

High inflation in specific food items poses inflation risk, even though normal monsoon forecasts are improving the food inflation outlook. This makes it crucial to monitor monsoon distribution. Government measures like the Open Market Sale Scheme (OMSS) and export restrictions aim to stabilize food prices. Additionally, recent move to cut LPG cylinder prices have sustained deflation in fuel and light category. While government initiatives are expected to mitigate upward price pressure, external risks from geopolitical tensions may affect supply chains and commodity prices. The numbers for April 2024-June 2024 show an increase in inflation growth y-o-y to 4.9% as compared to inflation growth y-o-y of 4.6% in April 2023-June 2023 period.

Chart 4: Retail Price Inflation in terms of index numbers and Y-o-Y Growth in % (Base: 2011-12=100)

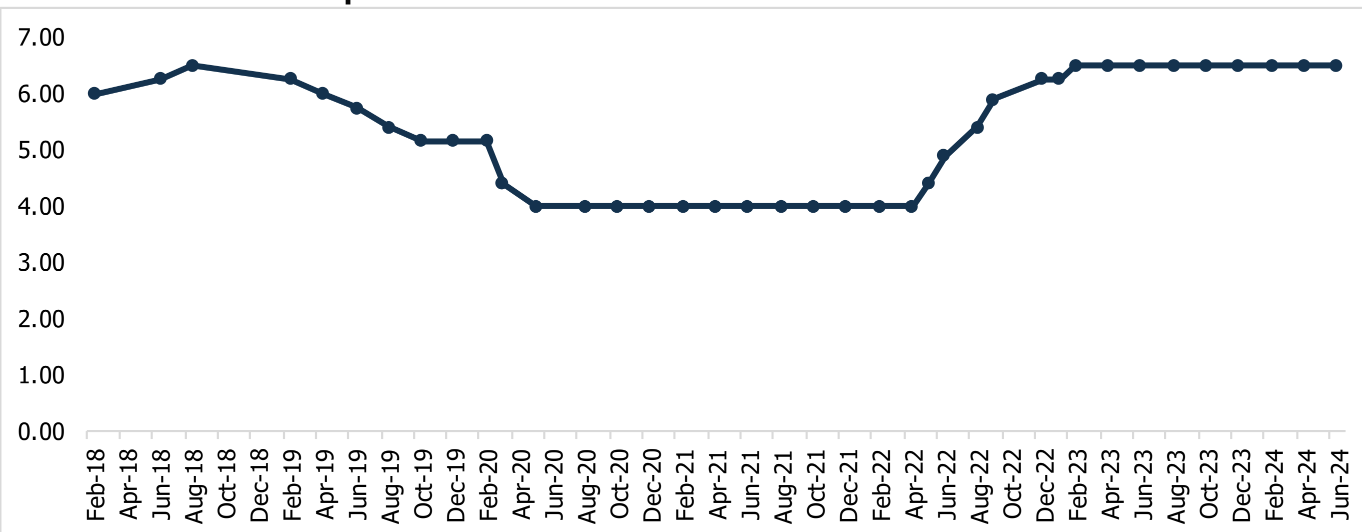


Source: MOSPI

The CPI is primarily factored in by RBI while preparing their bi-monthly monetory policy. At the bi-monthly meeting held in June 2024, RBI projected inflation at 4.5% for FY25 with inflation during Q1FY25 at 4.9%, Q2FY25 at 3.8%, Q3FY25 at 4.6% and Q4FY25 at 4.5%.

Considering the current inflation situation, RBI has kept the repo rate unchanged at 6.5% again in the June 2024 meeting of the Monetary Policy Committee.

Chart 5: RBI historical Repo Rate



Source: RBI

In a meeting held in June 2024, RBI also maintained the liquidity adjustment facility (LAF) corridor by adjusting the standing deposit facility (SDF) rate of 6.25% as the floor and the marginal standing facility (MSF) at the upper end of the band at 6.75%.

Further, the central bank continued to remain focused on the withdrawal of its accommodative stance. While headline inflation has started easing due to softening in core component and economic activity has been resilient supported by domestic and investment demand, volatility in food proces due to adverse weather conditions pose a risk to the path of disinflation. Given the uncertainities in food prices that might derail the path to bring down inflation, the Central Bank has decided to be vigilant and maintain an active disinflationary stance to ensure complete transmission of past rate cuts and anchoring of inflation expectations until a better alignment of the headline CPI inflation with the target is achieved.

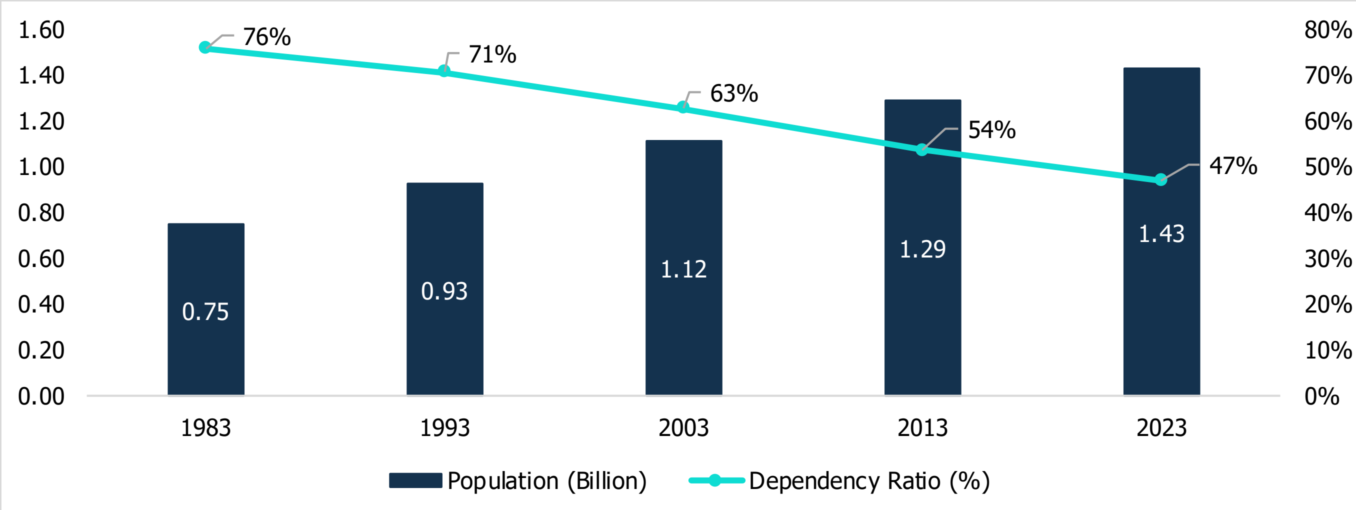
1.2.6 Overview on Key Demographic Parameters

- **Population growth and Urbanization**

The trajectory of economic growth of India and private consumption is driven by socio-economic factors such as demographics and urbanization. According to the world bank, India's population in 2022 surpassed 1.42 billion, slightly higher than China's population 1.41 billion and became the most populous country in the world.

Age Dependency Ratio is the ratio of dependents to the working age population, i.e., 15 to 64 years, wherein dependents are population younger than 15 and older than 64. This ratio has been on a declining trend. It was as high as 76% in 1983, which has reduced to 47% in 2023. Declining dependency means the country has an improving share of working-age population generating income, which is a good sign for the economy.

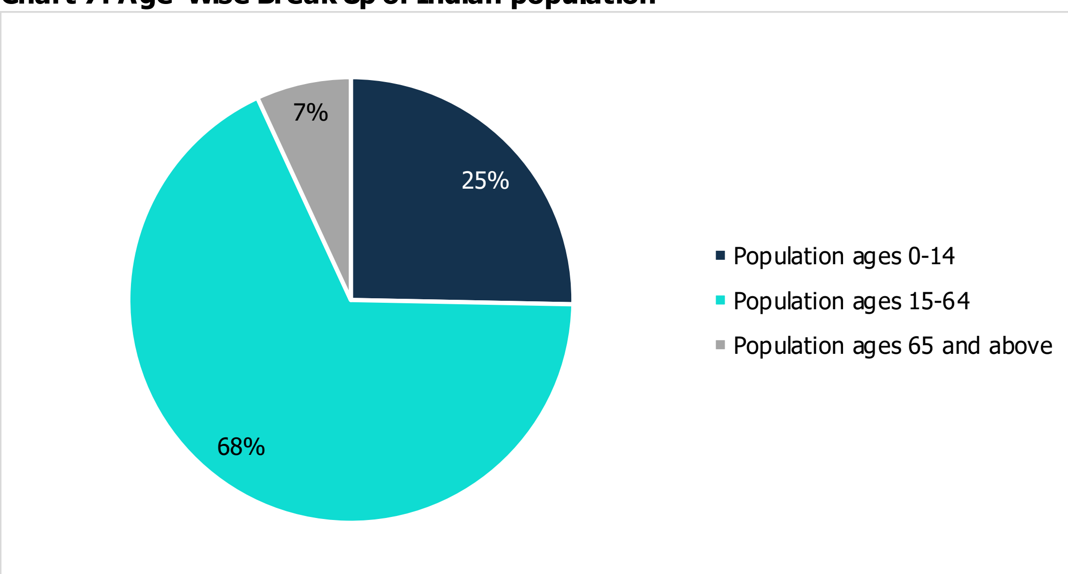
Chart 6: Trend of India's Population vis-à-vis dependency ratio



Note: Year refers as CY, Source: World Bank Database

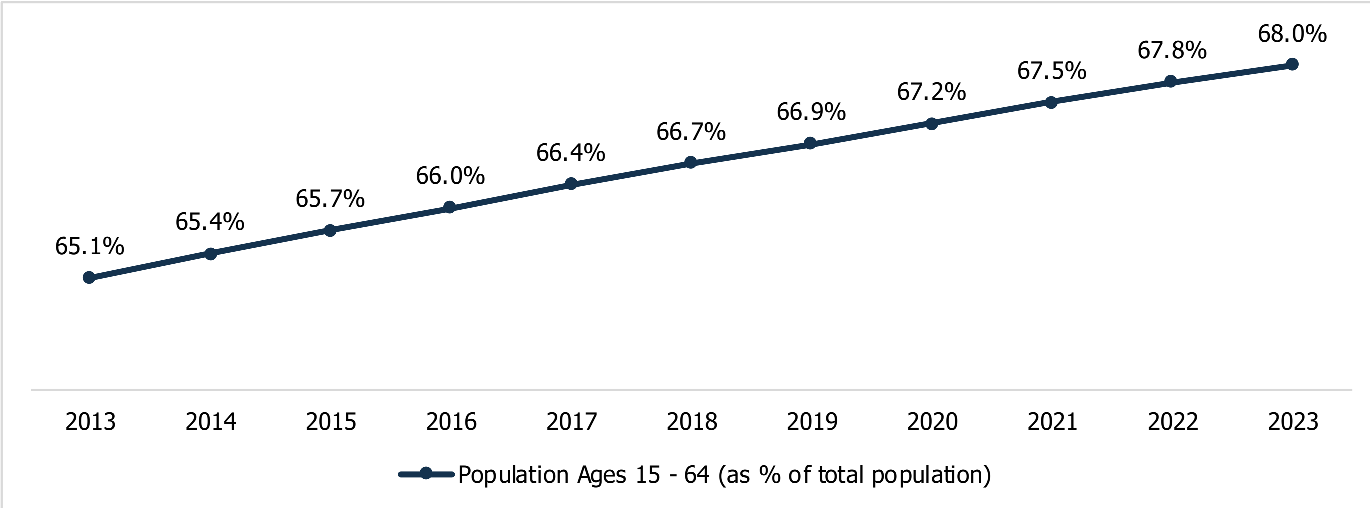
With an average age of 29, India has one of the youngest populations globally. With vast resources of young citizens entering the workforce every year, it is expected to create a 'demographic dividend'. India is home to a fifth of the world's youth demographic and this population advantage will play a critical role in economic growth.

Chart 7: Age-Wise Break Up of Indian population



Source: World Bank Database

Chart 8: Yearly Trend - Young Population as % of Total Population

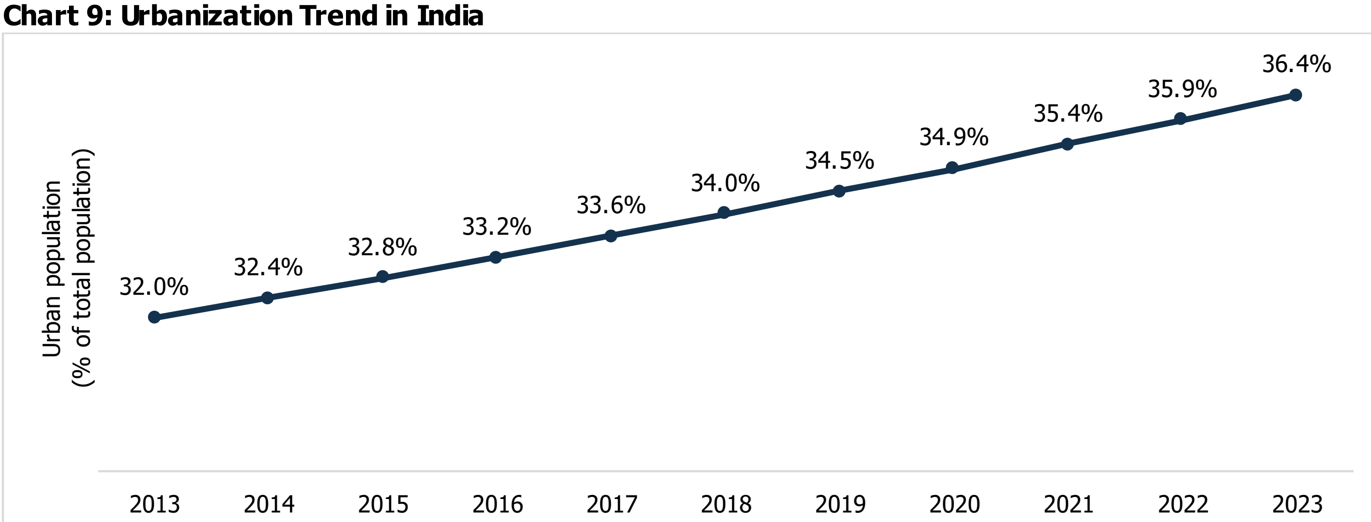


Note: Year refers as CY, Source: World Bank database

- **Urbanization**

The urban population is significantly growing in India. The urban population in India is estimated to have increased from 413 million (32% of total population) in 2013 to 519.5 million (36.4% of total population) in the year 2023. People living in Tier-2 and Tier-3 cities have greater purchasing power.

Chart 9: Urbanization Trend in India



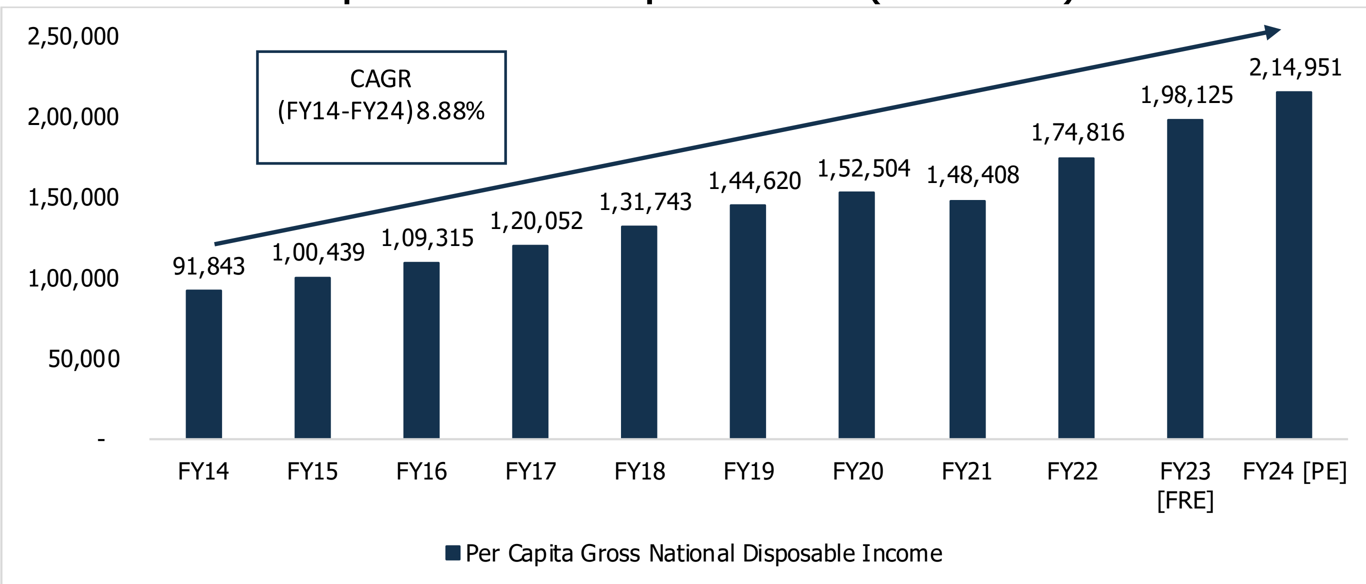
Note: Year refers as CY, Source: World Bank Database

- **Increasing Per Capita Disposable Income**

Gross National Disposable Income (GNDI) is a measure of the income available to the nation for final consumption and gross savings. Between the period FY14 to FY24, per capita GNDI at current prices registered a CAGR of 8.88%. More disposable income drives more consumption, thereby driving economic growth.

The chart below depicts the trend of per capita GNDI in the past decade:

Chart 10: Trend of Per Capita Gross National Disposable Income (Current Price)

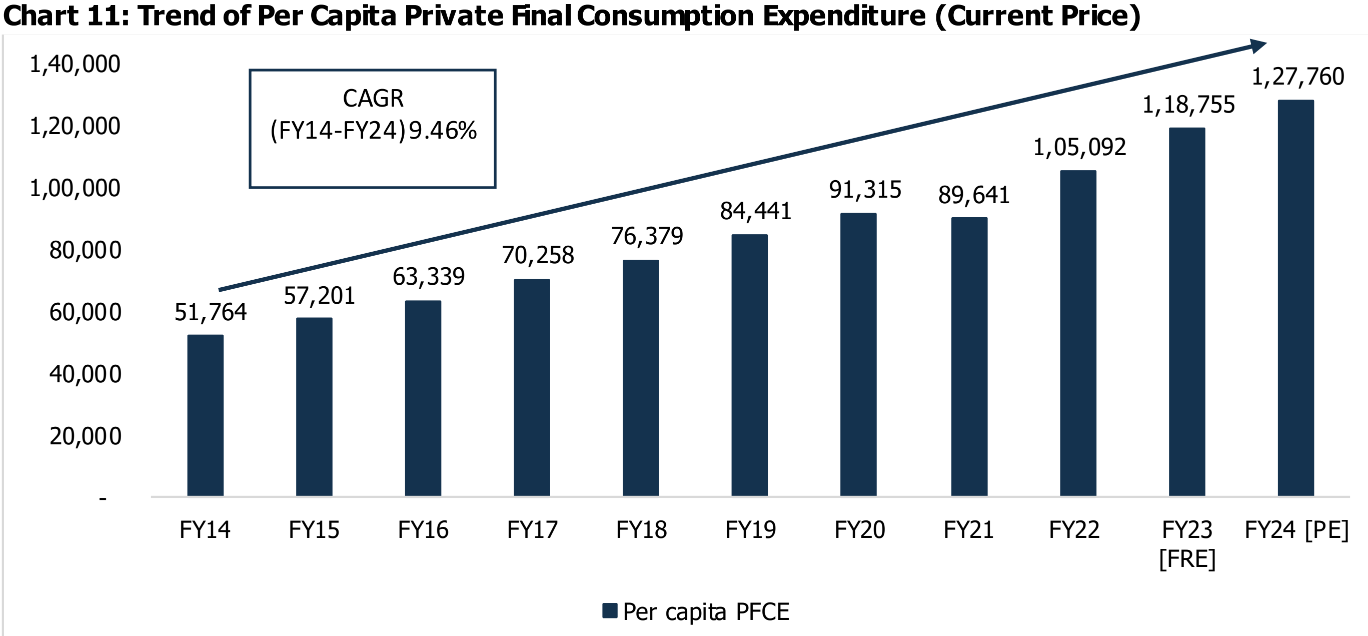


Note: 3RE – Third Revised Estimate, 2RE – Second Revised Estimates, 1RE – First Revised Estimates, PE – Provisional Estimate; Source: MOSPI

- **Increase in Consumer Spending**

With increase in disposable income, there has been a gradual change in consumer spending behaviour as well. Private Final Consumption Expenditure (PFCE) which is measure of consumer spending has also showcased significant growth in the past decade at a CAGR of 9.46%. Following chart depicts the trend of per capita PFCE at current prices:

Chart 11: Trend of Per Capita Private Final Consumption Expenditure (Current Price)



Source: MOSPI

1.2.7 Concluding Remarks

The major headwinds to global economic growth are escalating geopolitical tensions, volatile global commodity prices, high interest rates, inflation woes, and a shortage of key inputs. Despite the global economic growth uncertainties, the Indian economy is relatively better placed in terms of GDP growth compared to other emerging economies. According to IMF's forecast, it is expected to be 7% in CY24 compared to the world GDP growth projection of 3.2%. The bright spots for the economy are continued healthy domestic demand, support from the government towards capital expenditure, moderating inflation, investments in technology and improving business confidence.

Likewise, several high-frequency growth indicators including the purchasing managers index, auto sales, bank credit, and GST collections have shown improvement in FY23. Moreover, normalizing the employment situation after the opening up of the economy is expected to improve and provide support to consumption expenditure.

The India Meteorological Department (IMD) has made a significant forecast, predicting "above normal" rainfall for the upcoming monsoon season, marking the first time in a decade that such an optimistic outlook has been declared at the initial stage. This forecast, coupled with an anticipated eight-year-high rainfall, offers promising prospects for the agrarian economy and inflation. The weakening of El Nino to a neutral stage in the early monsoon season, followed by the likely development of La Nina conditions in the later part, adds to the positive outlook. El Nino typically leads to suppressed rainfall during the Indian monsoon, whereas La Nina tends to enhance rainfall activity. IMD's more optimistic prediction is expected to bolster agricultural growth and incomes, while also potentially alleviating stubborn food inflation pressures.

At the same time, public investment is expected to exhibit healthy growth as the government has allocated a strong capital expenditure of about Rs. 11.11 lakh crores for FY25. The private sector's intent to invest is also showing improvement as per the data announced on new project investments and resilience shown by the import of capital goods. Additionally, improvement in rural demand owing to good rabi crop and an expected normal monsoon will aid the investment cycle in gaining further traction.

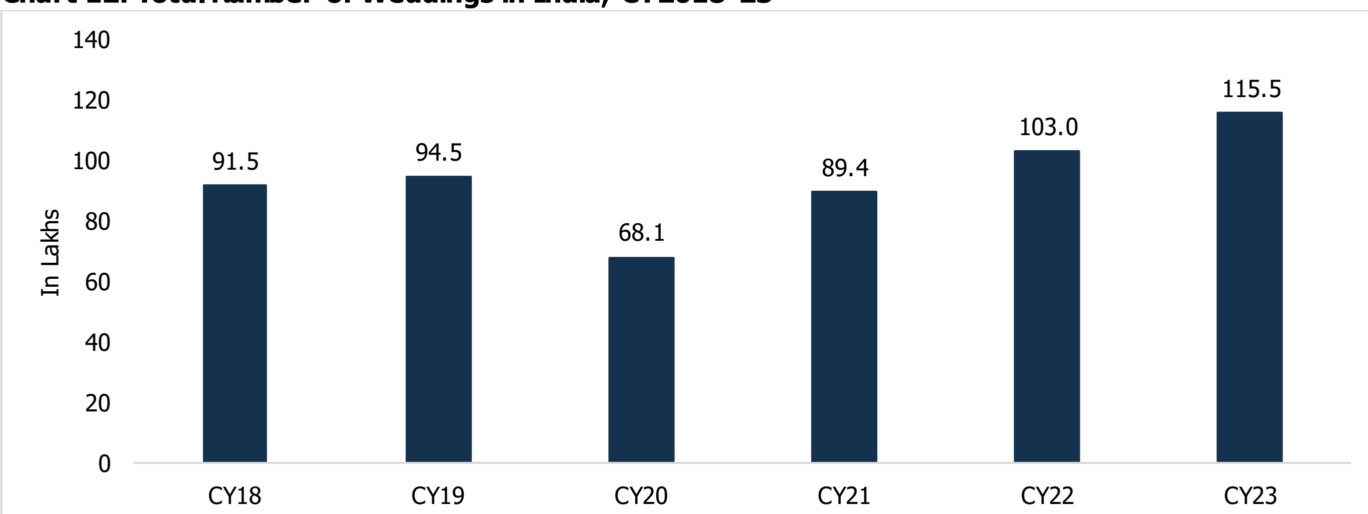
2. Demographic Drivers

2.1 Total Number of Weddings in India

The number of weddings in India is rapidly increasing, driving a significant boom in the wedding sector and the jewellery market. This growth is fueled by the expanding middle class, which is increasingly willing to spend lavishly on wedding celebrations, including destination weddings in picturesque locations like Kerala, Udaipur, and Goa. The demand for wedding-related services such as professional photographers, caterers, and event planners has surged. Additionally, India's youthful population and a gradual shift towards earlier marriages contribute to this rise in weddings.

This surge directly impacts the jewellery market, as weddings traditionally involve substantial jewellery purchases. Gold and diamond jewellery hold cultural and sentimental value in Indian weddings, leading to higher demand for bridal jewellery, including engagement rings, wedding bands, and elaborate sets. Consequently, jewellers are expanding their collections and services to meet the diverse and growing demands of wedding customers, driving robust growth in India's jewellery market.

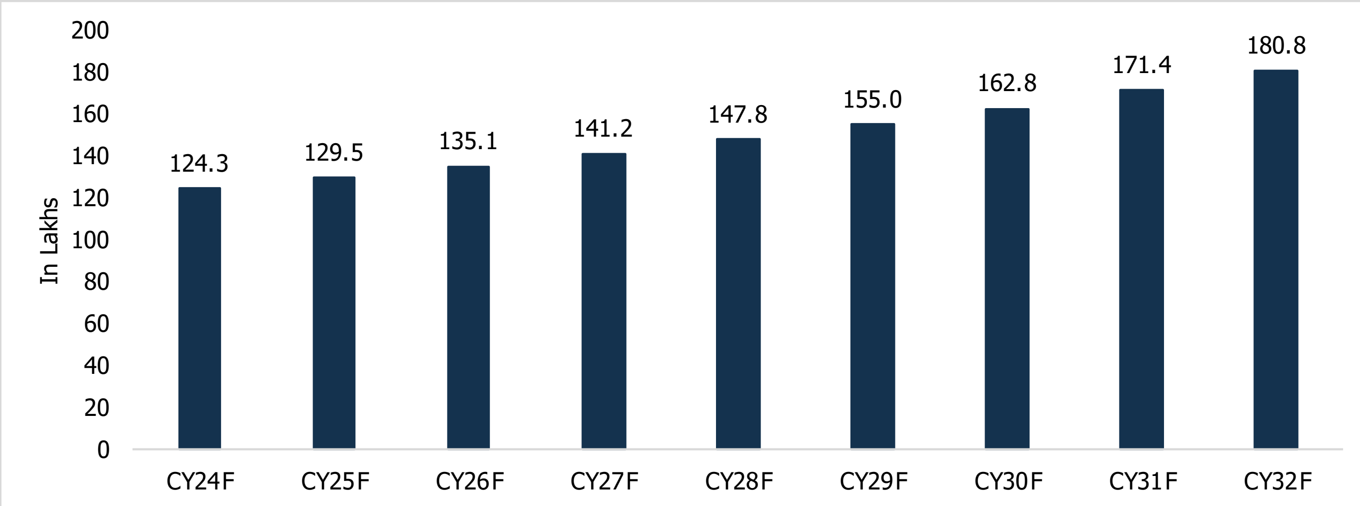
Chart 12: Total Number of Weddings in India, CY2018-23



Source: IMARC Group and CareEdge Research

The total number of weddings in India increased by 12.2% to reach 115.5 Lakhs in CY23, compared to 103 Lakhs in CY22. In CY20, the number dropped to 68.1 lakh due to the COVID-19 pandemic and the resultant restrictions on gatherings. As the situation improved, the wedding industry rebounded in 2021 with 89.4 lakh weddings. This positive trend continued in CY22 and CY23, indicating a robust resurgence in the sector.

Chart 13: Total Number of Weddings in India, CY2024-32



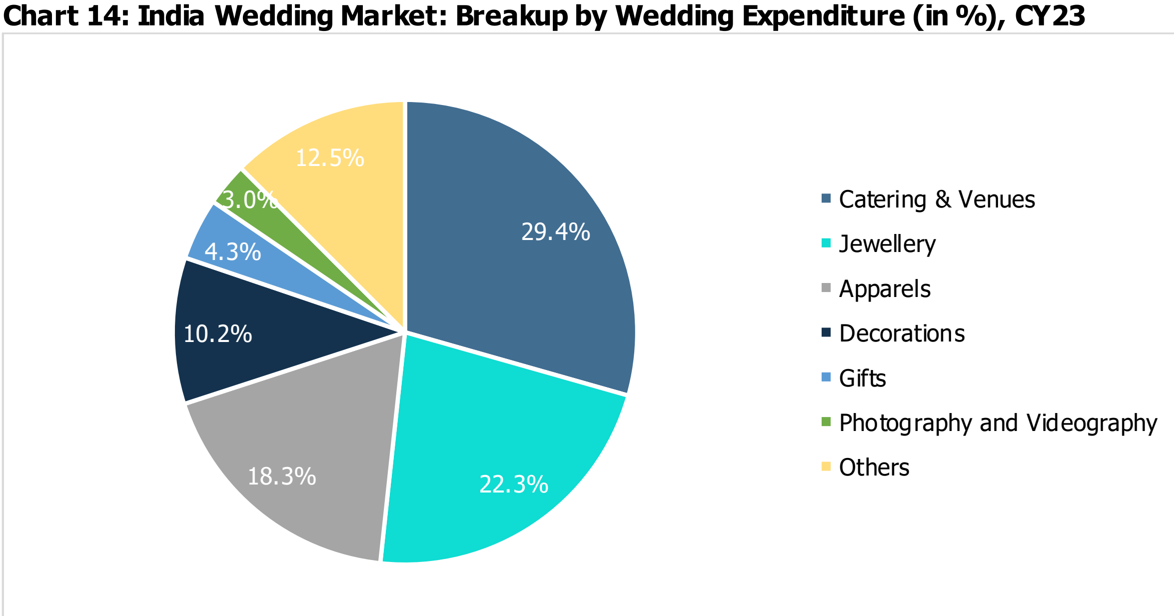
Source: IMARC Group and CareEdge Research

The number of weddings in India is projected to grow from 124.3 lakh in CY24 to 180.8 lakh by 2032, registering a CAGR of 4.8%. The surge in weddings is also driving growth in the jewellery industry, as bridal jewellery purchases increase with each wedding. This growth underscores the wedding sector's recovery from pandemic downturns and its role as a major economic driver, reinforcing its significance in the national economic framework.

2.2 Wedding Expenditures

Wedding expenditures in India are substantial, reflecting the country's cultural emphasis on grand celebrations. Major costs include lavish venues, elaborate catering, and high-end jewellery, which collectively dominate the budget. Apparels, decorations, and photography also represent significant expenses. Additional costs include gifts, entertainment, and transportation. The scale and opulence of Indian weddings drive substantial spending, making it a significant sector in the economy. This substantial financial outlay highlights the importance of weddings in Indian society and the economic impact of associated industries.

Chart 14: India Wedding Market: Breakup by Wedding Expenditure (in %), CY23



Source: IMARC Group and CareEdge Research

In CY23, the distribution of wedding expenditures in India highlights the significant allocation of funds across various categories. Catering and venues dominate the market, accounting for 29.4% of total spending, reflecting the high priority placed on food and location for wedding celebrations.

Jewellery follows as the second-largest expenditure, comprising 22.3%, underscoring the importance of bridal adornments in Indian weddings. Jewellery holds a vital place in Indian weddings, with 22.3% of expenditures dedicated to it, reflecting its deep cultural and symbolic significance. The mangalsutra, a sacred necklace symbolizing marital bonds, is central in Hindu weddings, especially in South India, where elaborate designs featuring diamonds and intricate gold work are increasingly popular.

Besides the mangalsutra, essential pieces like bangles, necklaces, earrings, and rings are part of the bridal ensemble, varying by region. North Indian brides favour heavy gold jewellery, while South Indian brides often wear temple jewellery with uncut gemstones. In Western India, the nath (nose ring) and kamarband (waistband) are prominent, and Eastern Indian brides often choose gold pieces with nature-inspired motifs. This investment in jewellery, blending aesthetics with emotional and cultural value, underscores its importance as a symbol of tradition, wealth, and heritage across India.

2.3 Analysis of the Impact of Demographics on Mangalsutra Purchases

The Mangalsutra is more than a piece of jewellery in India; it embodies personal identity, cultural heritage, and marital commitment. Preferences for Mangalsutra designs vary significantly across different age groups, reflecting the evolving interests, lifestyles, and values of Indian women. Every demographic has different needs and perspectives, from senior women who value traditional motifs to young brides who choose modern patterns. Furthermore, according to a report by the World Gold Council, there is a significant increase in demand for lightweight jewellery, especially in the daily wear segment. For instance, it is now common to find chains or Mangalsutras weighing just 5-8 grams, a development that would have been unlikely five years ago. This surge in demand can be attributed to the rising per capita income, increased expenditure on jewellery, a higher number of weddings in India, and the influence of social media. These demographic shifts have significantly impacted Mangalsutra purchases in recent years.

Regional Demographics play a crucial role in influencing purchase decisions. In South India, the tradition of investing heavily in gold jewellery, including the Mangalsutra, is deeply ingrained, with families often prioritizing substantial, intricate designs that reflect both wealth and cultural heritage. The emphasis on gold as an investment also drives higher expenditure in this region.

In contrast, Maharashtra sees continuous spending on jewellery, driven by strong replacement demand. Women in this region often buy new pieces or upgrade existing ones, reflecting both cultural practices and evolving fashion trends. The state's inclination towards nath (nose rings) and kamarband (waistbands) also influences the jewellery market.

In North India, the preference for heavy gold jewellery remains strong, but there's a growing trend towards more versatile, lightweight designs that cater to modern lifestyles. Meanwhile, in Eastern India, especially Bengal, traditional motifs inspired by nature dominate Mangalsutra designs, reflecting the region's rich cultural heritage

18-25 Age Group: Young women aged 18-25 are drawn to Mangalsutras that merge traditional and contemporary styles. They prefer affordable, versatile designs that can transition from special occasions to everyday wear. Influenced by social media and celebrity trends, they favour minimalist designs and often personalize their Mangalsutras with initials or unique symbols. Online shopping is popular in this group due to its convenience and variety.

26-35 Age Group: Women in the 26-35 age range seek a balance between traditional values and modern practicality. They value craftsmanship and quality, opting for Mangalsutras that combine classic elements with modern aesthetics. While they conduct thorough online research, they prefer to visit physical stores to verify the authenticity and quality of their purchases. This group is willing to invest in high-quality, durable items and appreciates personalized service.

36-45 Age Group: Women aged 36-45 have a strong affinity for intricate and traditional Mangalsutra designs that honor marital vows and cultural heritage. They are willing to spend more on elaborate pieces that signify wealth and prestige, often buying from high-end jewellers known for their superior quality. This demographic prefers in-store shopping to personally assess the authenticity and craftsmanship of their jewellery and may be influenced by family traditions and advice from elders.

46-60 Age Group: Women aged 46-60 favor traditional Mangalsutra designs that emphasize spiritual and cultural values. They seek heavy, durable designs that offer lasting quality and often prefer to shop in-store for personalized customer service. This age group values the symbolic significance of the jewellery and tends to build relationships with a few trusted jewelers.

Above 60 Age Group: Older women, aged 60 and above, often look for Mangalsutras with deep historical and cultural significance. They prefer classic designs that symbolize enduring marriage and can be passed down as heirlooms. This group prioritizes authenticity and quality, buying from established, reputable jewelers and usually preferring in-store purchases to ensure they receive personalized attention and verify the value of their investment.

3 Overview of the Jewellery Industry in India

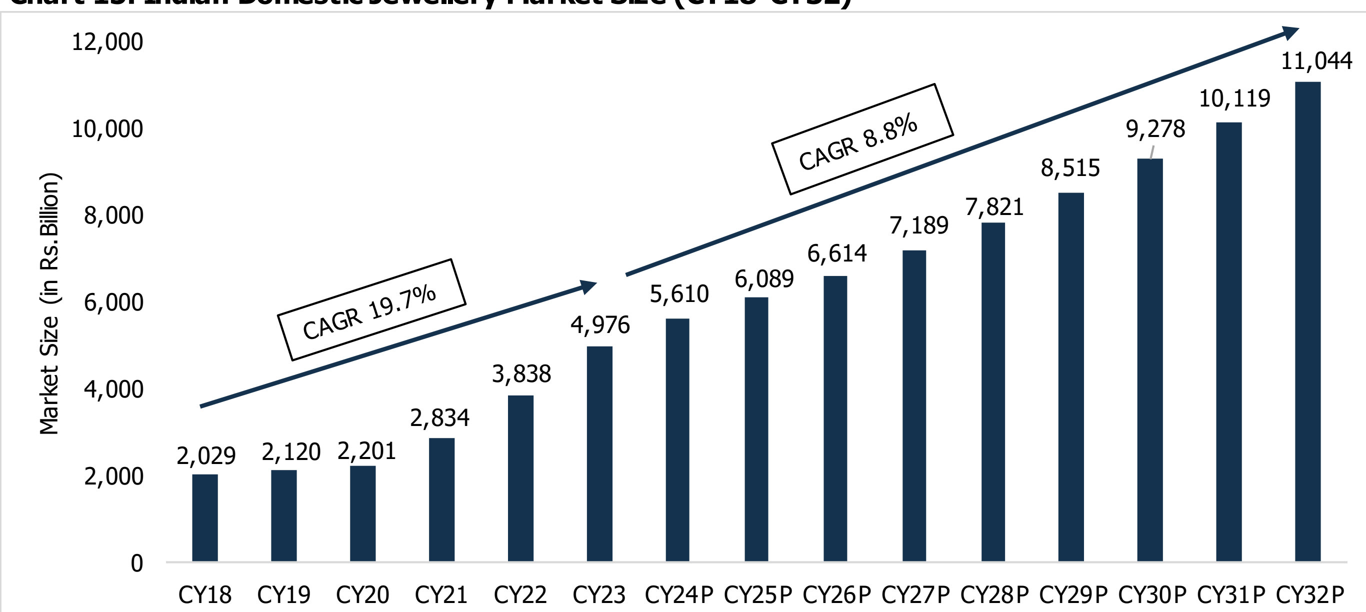
3.1 Indian Jewellery Industry Market Size & Trends

In India, jewellery holds substantial cultural and traditional importance, crucial in various customs, festivals, and life events, particularly weddings. Gold jewellery, deeply embedded in Indian culture, is often seen as a mark of prosperity and success. It is a family investment for religious ceremonies, gifting, and future security. This deep-rooted cultural connection ensures a persistent demand for jewellery, even amid economic fluctuations.

With India's economy experiencing significant growth over recent decades, disposable incomes have increased, especially among the middle and upper classes. This rise in purchasing power has enabled people to spend more on luxuries and non-essentials, including high-end and designer jewellery. As earnings continue to grow, so does the appetite for owning and displaying jewellery, further fueling market expansion. Traditionally, the Indian Gems and Jewellery (G&J) industry has been fragmented, with consumers predominantly buying from family jewellers.

The fragmented nature of this sector makes it difficult to quantify the number of jewellers in India. However, the industry has seen structural transformation in the recent decade with more G&J players moving up the value chain with a greater focus on branded jewellery. Jewellery retailing is not only profitable and high-margin but also an underpenetrated industry in India, which means there is a lot of room for growth. Moreover, consumers are more predisposed to branded jewellery particularly in metro & tier I cities, given the rising media and Western influences and willingness to pay a premium.

Chart 15: Indian Domestic Jewellery Market Size (CY18-CY32)



Source: IMARC Group, CareEdge Research

In CY20, the domestic jewellery (gold and studded) industry was negatively impacted by the COVID-19 outbreak and the industry size contracted by nearly a fourth. In CY23, the domestic jewellery industry stabilized at Rs. 4,976 billion. Additionally, in CY23, the demand for gold jewellery remained subdued in terms of volume and declined by about 2%, while the gold price registered a ~7% increase compared to its previous year.

In CY24 the Indian jewellery market is expected to grow by 12.8% y-o-y to Rs. 5,610 billion. The market is expected to grow at a compounded annual growth rate (CAGR) of 8.8% in the next 9 years to Rs 11,044 billion in CY32.

The long-term demand prospects for the sector are supported by a growing working population, higher disposable income, easier access to credit, and improved living standards. To cater to the changing consumer preferences and design trends, larger stores are offering more variety and a diverse range of jewellery. This continuous adaptation to consumer trends and behaviour is likely to further support the shift towards the organized jewellery segment.

In terms of gold jewellery consumption, India has been the second largest consumer globally (China being the first).

Additionally, India's jewellery industry is experiencing a growing preference for branded items. Branded jewellers are valued for their distinctive designs, quality, and authenticity—attributes that consumers increasingly seek confirmation of. A significant portion of buyers is attracted to branded jewellery for its reliability and reputation.

The industry has also evolved with the widespread adoption of technology in both manufacturing and retail. Advanced techniques such as computer-aided design (CAD) and 3D printing allow jewellers to create intricate and customized pieces more efficiently and precisely. Moreover, the rise of e-commerce platforms has made it easier for customers to purchase jewellery online, providing convenience and a wider selection. Consequently, technological advancements are crucial for enhancing product offerings and expanding market reach.

3.2 Key Demand Drivers for Jewellery in India

Weddings and Festivals Drive Domestic Demand:
Seasonality in jewellery buying is a key factor that influences demand heterogeneity in India. Weddings, festivals, and harvests in rural regions are the main drivers of the category, and the seasonal nature of each of these drivers assures that demand for jewellery is tied to the different months and seasons.

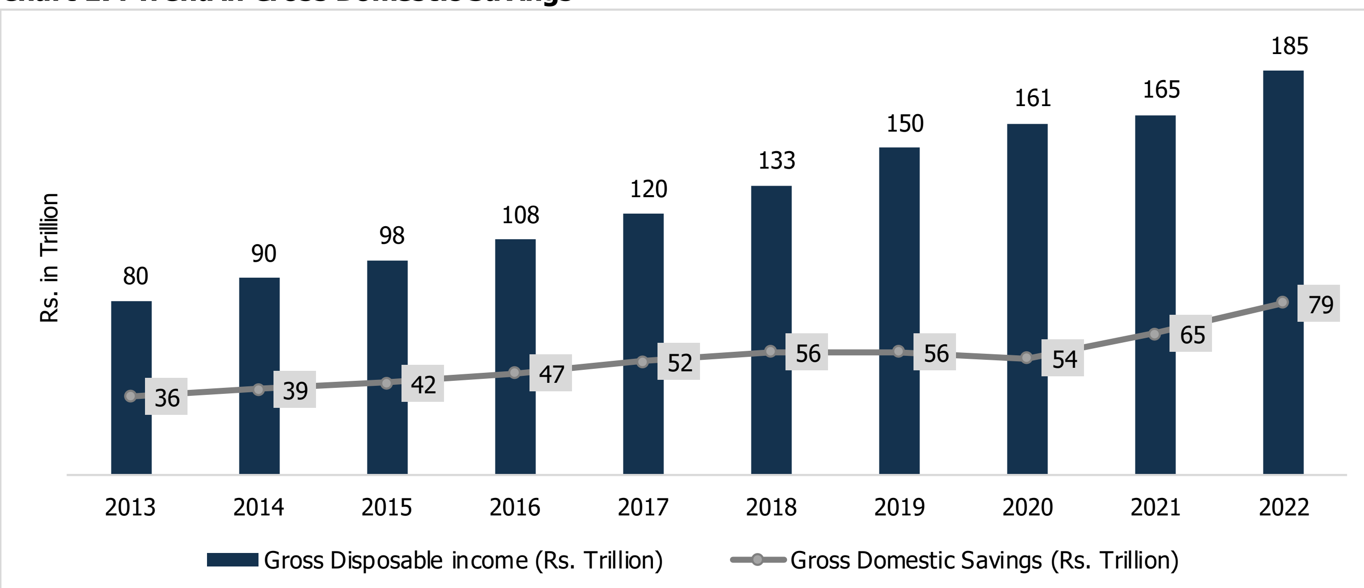
Chart 16: Seasonality in Jewellery Buying

Source: CareEdge Research based on Industry sources

Demand for jewellery rises in the months of the wedding season such as May-June, September-November, and January. During November and December, rural households invest their crop money in gold jewellery. Moreover, gold demand in Tier II and Tier III towns is influenced by agricultural output and monsoon. During auspicious religious events like Diwali/Dhanteras in October and November, and Akshaya Tritiya in April and May, demand for gold and silver jewellery increases.

Increase in Income and Savings Levels:
Rising income is the most powerful long-term driver of Indian gold demand because the economy is complimented by a high demographic dividend. The middle-income group in India has the highest level of gold consumption. The wealthy consume the most per capita, but the middle class consumes the most total volume.

Chart 17: Trend in Gross Domestic Savings



Source: World Bank Database; CMIE

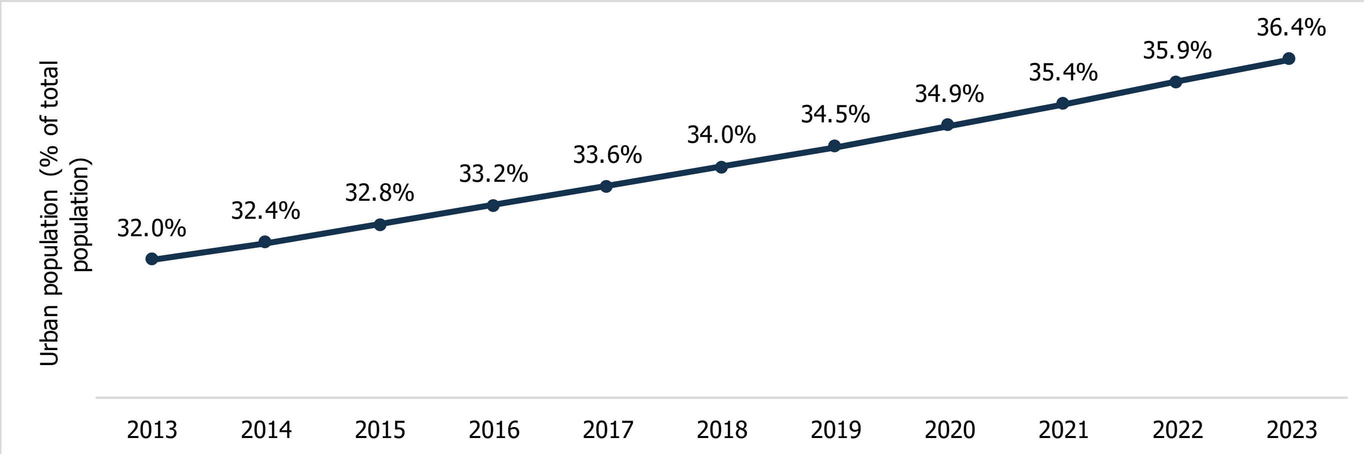
Although there is a growing propensity to consume gold as income rises, the proportion of gold in one's portfolio does not rise at the same rate. A fall in household savings rates, availability of different investment avenues, and agricultural earnings could constrain the Indian demand.

Preference for Branded Jewellery:
In the competitive Indian market, branded jewellery has found a significant place. The most significant aspect of branded jewellery, however, is the perception of its excellence because a brand is synonymous with quality.

Furthermore, customers are more knowledgeable. As a result, shopping has moved to a new level, not only in terms of perspective but also in terms of method. Besides, with the rise of supermarket culture, sales and marketing of gems and jewellery have changed significantly. Today's youth have more discretionary income and are ready to spend on their preferred indulgences. Branded jewellery has a higher level of satisfaction among people than non-branded jewellery due to its prestige value, trusted quality and pricing transparency, thus making branded jewellery more popular.

Urbanization:
Urbanization has resulted in the influx of migrants in metros, cities, and towns as a result of economic opportunities. As a result, migrant consumers' relationships with their family jewellers are not as strong as before. They turn to trusted brands that can provide authenticity, purity, and innovative designs.

Chart 18: Trend of Urbanisation in India



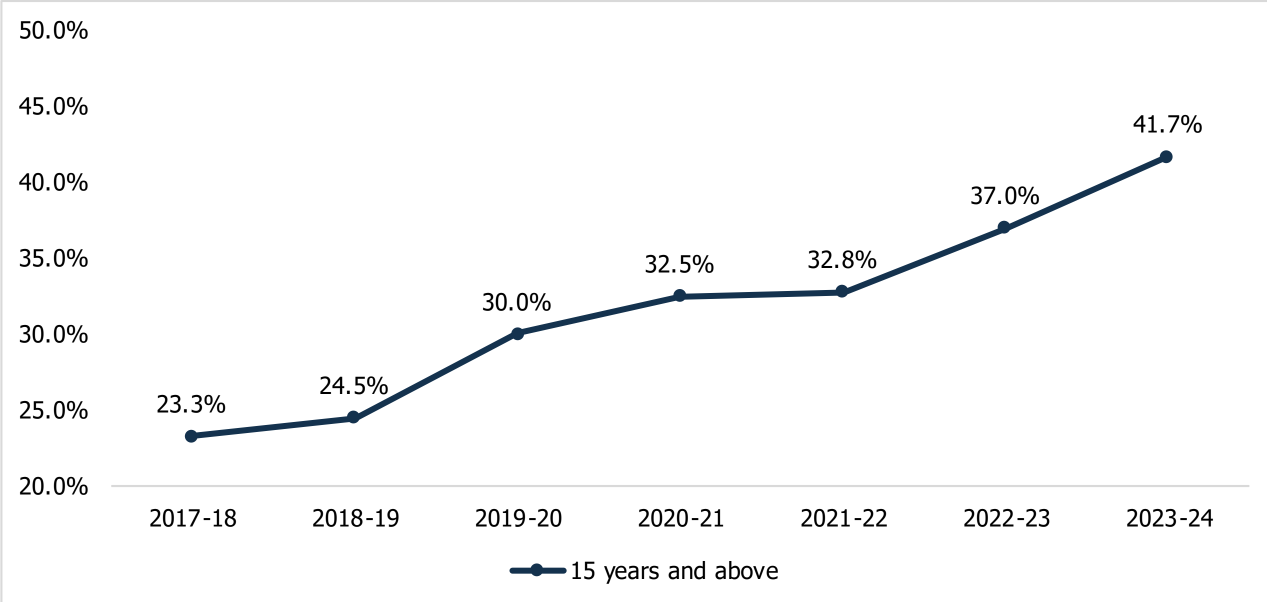
Source: World Bank Database

Increasing Number of Working Women

The labour force participation rate (LFPR) is the proportion of individuals who are actively engaged in the labour force relative to the total population. The female LFPR has been on a steady upward trajectory since 2017-18 with significant structural shifts. Older women with lower education levels are leaving the workforce, while younger women with higher educational attainment are entering it, leading to a rise in the number of women in salaried positions and a decline in informal wage work. The proportion of women working in agriculture is decreasing, with more women moving into the services sector. This overall increase in female participation is largely driven by rural women joining the workforce, supported by government initiatives aimed at women's empowerment through education, skill development, entrepreneurship, and workplace safety. These policies have particularly benefited women from upper expenditure classes, who have seen a more significant rise in labour force participation, largely due to an increase in self-employment.

Between 2017-18 and 2019-20, the growth in women's participation was marked by an increase in helpers in household enterprises, but from 2019-20 to 2022-23, the rise was mainly due to more women becoming own-account workers. This shift is partly attributed to the return of male migrants during the pandemic, which led women to take up own-farm or other non-farm activities to support household income. This trend of increasing self-employment among women spans various sectors, including agriculture, manufacturing, and services, reflecting a broader shift in the labour market dynamics for women. For 2022-23, the female LFPR was 37%, underscoring the increasing participation of women in the workforce. The increase in female LFPR from 37% in 2022-23 to 41.7% in 2023-24 can also be attributed to the increase in self-employment among women.

Chart 19: Women Labor Force participation rates



Note: 2023-24 refers to the period July 2023-June 2024 and likewise for previous years; LFPR is for usual status
Source: PLFS

Additional Demand Drivers for Organised Jewellery Retail

Transparency in Pricing and Product Quality:
Indian jewellery buyers are becoming more brand-conscious. They are exposed to a wide range of worldwide and national premium brands. They expect their jewellers to be transparent and jewellery to be of high quality. They want to grasp the pricing approach (prices of materials such as gold and silver, as well as jewellery making charges) and be confident about the end product's quality, which can only be handled by organised shops. The organised player establishes transparency by adhering to the highest quality standards for jewellery and including price transparency in their offerings.

Retail Store Experience:
Today, organised jewellery retailing entails ready-made jewellery, a broad product range with a variety of designs and options, and a great showroom experience that meets the changing expectations of customers. Jewellery is an asset that may be owned for a lifetime and can be used as an investment. As a result, customers increasingly expect after-sales services such as product buyback at fair market value, billing transparency, and product customisation, among other things. Such expectations involve the provision of services in addition to product selling, and organised players are better positioned to meet these needs. In addition, organised jewellers provide ready-to-wear items, thereby reducing customer waiting time.

Exposure to Gold-Savings Schemes:
The emerging gold investment avenue in India at present is a monthly investment scheme run by organised jewellers. This works as a monthly gold-saving scheme where consumers deposit a specific amount of money with the jeweller for 11 months, with the jeweller then paying the consumer one-month equivalent of their deposit as interest. At the end of the year, the consumer chooses to buy gold jewellery or minted products with accumulated savings and interest. Some schemes provide the benefit of lower making charges also. One of the major benefits of this scheme is that the consumer gets to make the payment in instalments over time instead of lumpsum payment during the purchase.

3.3 Key Challenges for Jewellery in India

Shortage of Skilled Labor:
One of the key challenges to scaling up operations in the jewellery industry is the scarcity of skilled labour. To have access to a large talent pool, the supply of craftsmen/artisans that come through generations must be supplemented by new talents who have been professionally taught. Moreover, the industry's on-the-job training strategy results in lengthier training times and gaps in the availability of skilled labour and standardization, particularly in the fragmented sector. This is compounded by infrastructural deficiencies, a lower need for institution-trained personnel in the fragmented sector, and the industry's limited appeal to the younger generation of workers.

Short-Lived Fashion and Design Preferences:
Exporters do not have enough design development centres or the resources to constantly innovate new designs to keep up with the changing trends among international purchasers. In an era of high diamond, gold, and silver prices, global marketing necessitates changing fashion in the gems and jewellery segment. According to the market demand, manufacturers can produce specific types of gems and jewellery products. However, as a result of the changing trend, demand for certain types of products begins to decline and eventually ceases. The manufacturer's money is blocked in the older designs and this results in an inventory pile-up.

Dependency on Imports for Raw Materials:
The availability of raw materials is crucial to the gems and jewellery business. In India, a large percentage of raw materials are imported, as the domestic supply is limited. The raw material is converted into finished goods that are sold in the domestic and international markets.

India is a net importer of raw gold and meets over 90% of its gold requirement through imports. The total gold imported (in value terms) by India was Rs. 3,773 billion in FY24 showing and 35% increase y-o-y. Gold in India is majorly imported from Switzerland, the United Arab Emirates, South Africa, Peru and Australia, among other countries. Raw pearls, precious and semi-precious stones, and other items are imported from UAE, Hong Kong, USA, Belgium and Russia.

Rough diamonds account for more than half of all G&J imports (57%). The total rough diamond imports in FY24 stood at Rs 1180.42 billion in value terms and 1246.17 lakh carats in volume terms. India imports rough diamonds primarily from the United Arab Emirates which accounts for 60% for FY24.

Impact of Global Slowdown
The United States, the UAE, Hong Kong, Belgium and Israel are key export destinations for the Indian G&J industry. The United States accounted for about 30% of total exports of gems and jewellery in FY24. Persistent high inflation rates and slowdown in these economies will have an adverse impact on the gems and jewellery exports from India.

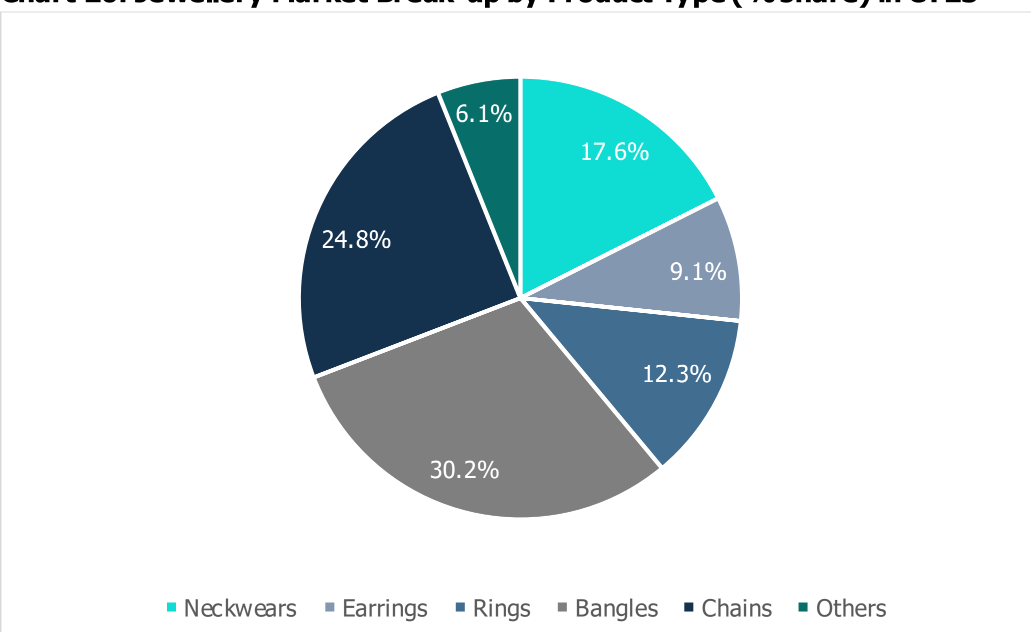
3.4 Indian Jewellery Market by Product Type

There are multiple products in gold jewellery such as bangles, chains, necklaces, rings, earrings, pendants, and others.

Necklace	Collar Necklaces , Kundan Necklaces , Polki Necklace , Rani Haar, Mangal sutra
Earrings	Bell-Shaped Earrings , Dangles , Hoops, Studs
Bangles Bracelets	Kada, Kundan, Cuffs, Filgree, Nagapadam Vala
Chains	Classic Rollo, Cable Corvette , Modern Omega , Box
Rings	Diamond Studded Gold Rings, Gender - neutral Rings, Vintage Nostalgia

At present, the market share of each of these products is depicted in the chart below:

Chart 20: Jewellery Market Break-up by Product Type (% share) in CY23



Source: IMARC Group, CareEdge Research
Note: Neckwear includes Mangalsutra.

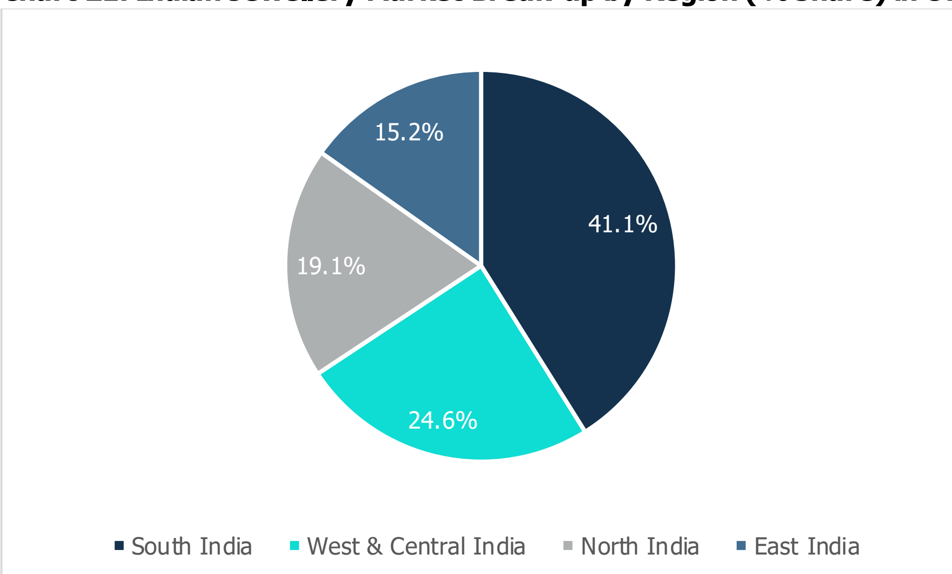
3.5 Indian Jewellery Market Breakup by Region

Weddings and festivals are the two main occasions for buying jewellery in India. The Indian jewellery market can be segmented by region into North, South, East, and West. The South region leads the market, followed by the West.

Southern India is notable for its significant consumption of gold and diamond jewellery, whereas Western India is renowned for its export of cut and polished diamonds. The South's dominant position in the Indian Gems and Jewelry Market stems from its rich historical heritage, skilled craftsmanship, cultural importance, and vibrant jewellery industry. In contrast, Western India favours a mix of traditional and modern styles and has a strong market for high-end and designer pieces.

North India tends to prefer traditional designs, especially gold jewellery and heavy pieces for weddings and festivals. Meanwhile, East India is characterized by a preference for traditional and distinctive designs, focusing on both gold and silver jewellery. South India accounts for 41% of the total jewellery demand followed by West & Central India with 24.6%, North India with 19.1% and East India with 15.2%.

Chart 21: Indian Jewellery Market Break-up by Region (% Share) in CY23



Source: IMARC Group, CareEdge Research

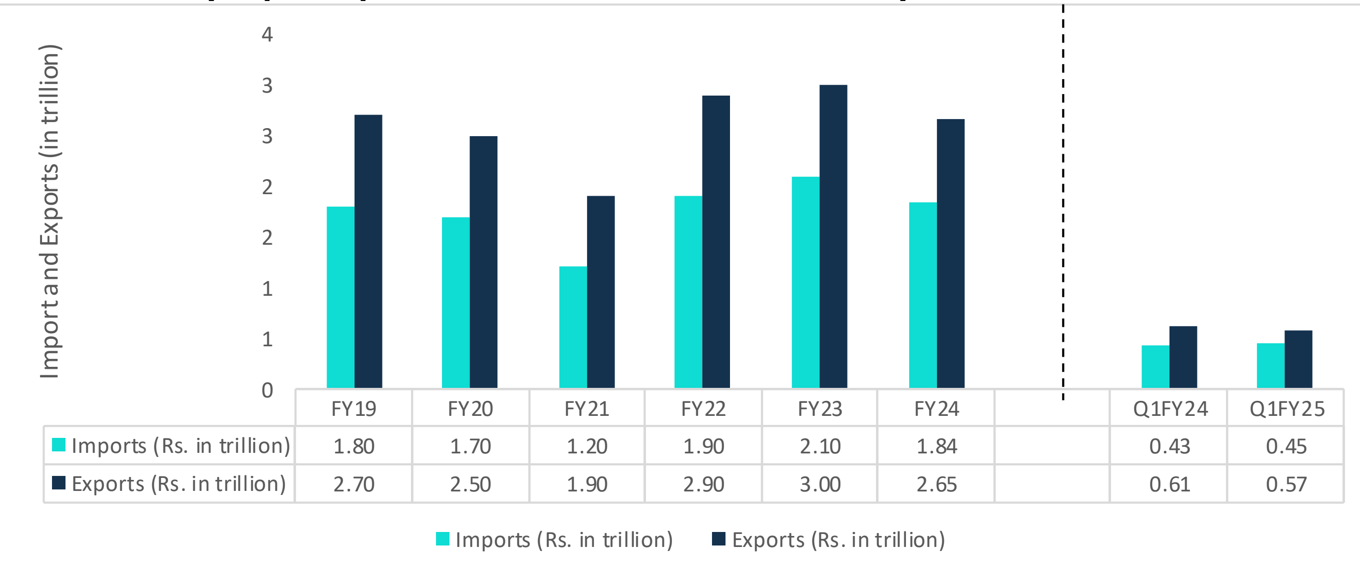
Rural and semi-urban regions contribute about 60% of the gold jewellery consumption while urban areas account for 40%. The share of rural and semi-urban regions is higher on account of the larger share of the population residing in these regions. Further, jewellery is a primary form of investment in these areas and is preferred over conventional investments through banks due to limited literacy, banking networks etc.

3.6 Trends in Imports and Exports of Gems and Jewellery in India

3.6.1 Overview

The gems and jewellery sector are a key contributor to India’s total exports. G&J accounted for about 7% (Rs. 2.65 trillion) of India’s total exports in FY24. G&J imports accounted for a comparatively smaller share of about 3% (Rs. 1.84 trillion) of total imports by the country in the same fiscal.

Chart 22: Yearly Import Export Trends - Overall Gems and Jewellery



	FY19	FY20	FY21	FY22	FY23	FY24		Q1FY24	Q1FY25
Imports (Rs. in trillion)	1.80	1.70	1.20	1.90	2.10	1.84		0.43	0.45
Exports (Rs. in trillion)	2.70	2.50	1.90	2.90	3.00	2.65		0.61	0.57

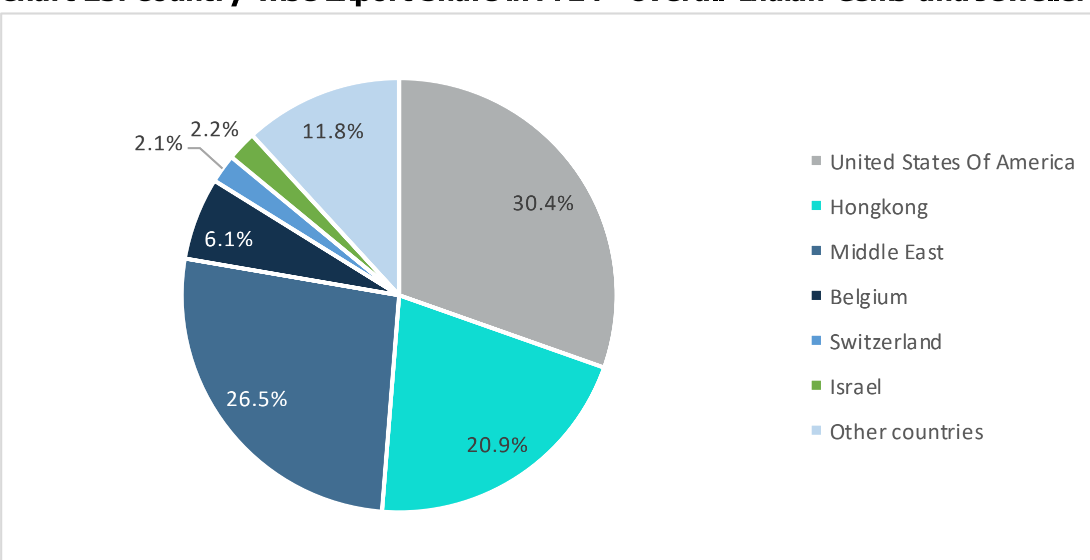
Source: Gems & Jewellery Export Promotion Council (GJEPC)

Growing Government Focus toward Export Promotion

The Government of India, along with all the stakeholders of the G&J sector, are well committed to aggressively promoting exports, identifying challenges and addressing them with necessary interventions, assisting exporters, especially SME units and exploring new markets while consolidating existing ones. With strong growth prospects, the government of India has also declared the G&J sector as one of the focus areas for export promotion.

With such continuous government support, the superior quality of Indian manufacturers has enabled the Indian gems & jewellery trade market to penetrate markets like the USA, UAE, Hong Kong, Israel, Switzerland and Belgium. The USA market is the largest destination for Indian gems and jewellery exports, accounting for a 30% share of the India's exports in FY24.

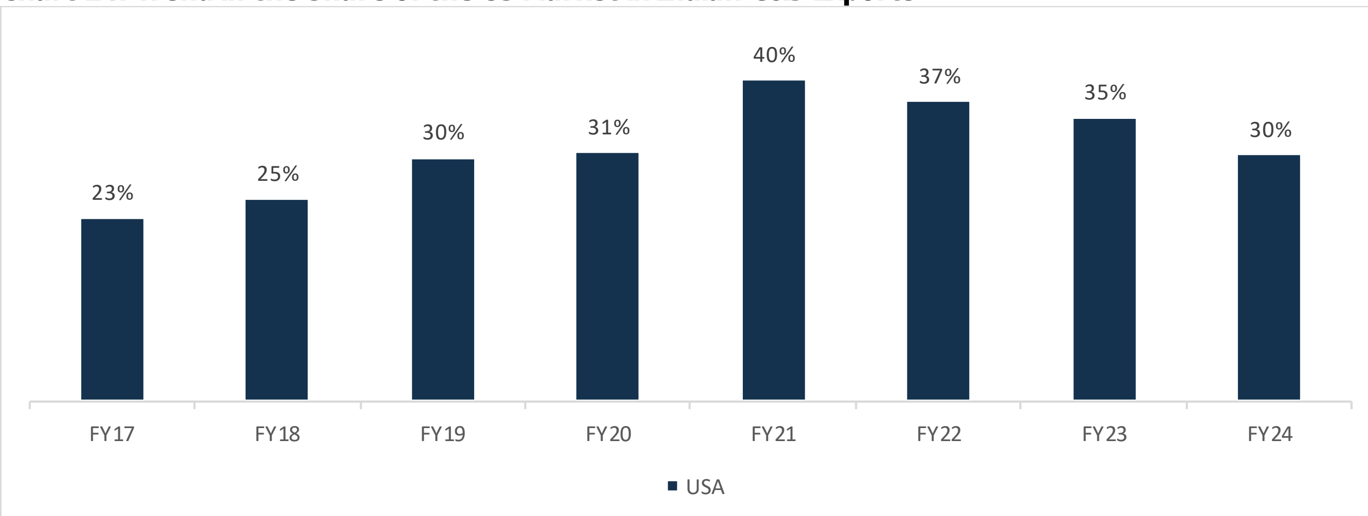
Chart 23: Country-wise Export Share in FY24 - Overall Indian Gems and Jewellery



Source: Gems & Jewellery Export Promotion Council (GJEPC)

In July 2020, Washington ended Hong Kong's preferential trade protection by raising the import duty on gems and jewellery to 7.5% from 3.3. Further, the levy of additional tariffs on Chinese jewellery being exported to the USA has made Indian exporters more competitive. These factors benefitted India and helped it increase its penetration in the US export market. China and Hong Kong are respectively the fourth- and fifth-largest suppliers of gems and jewellery to the US after India, France, and Italy.

Chart 24: Trend in the Share of the US Market in Indian G&J Exports



Source: Gems & Jewellery Export Promotion Council (GJEPC), CMIE

4.6.2 Product-Segment Wise Import and Export Trend

The international trade of G&J includes several product segments, such as cut and polished diamonds, gold jewellery and medallions, rough diamonds, gemstones, pearls, synthetic stones, and fashion jewellery. Of these, exports of cut and polished diamonds accounted for 50% of the total G&J exports, while gold jewellery (plain and studded) accounted for 35% in FY24. The rest 15% consists of coloured gemstones, gold medallions & coins

In Q1FY25, the exports of cut and polished diamonds accounted for 53% while gold jewellery (plain and studded) accounted for 32% of the total G&J exports. Rough diamonds held the majority of the share of about 64% and 63% in G&J imports during FY24 and Q1FY25, respectively, as it is a highly import-oriented segment.

Cut and Polished Diamonds:

India is the world's largest diamond-cutting and polishing centre. The country is regarded as the world jewellery market's hub due to its low costs and steady availability of high-skilled labor.

Table 4: Trend in Imports and Exports of Cut & Polished Diamonds

Cut & Polished Diamonds (Rs. in billion)	Imports	Y-o-Y growth	Exports	Y-o-Y growth
FY20	121.9	31.5%	1320.1	-20.7%
FY21	161.2	32.2%	1201.5	-9.0%
FY22	111.1	-8.9%*	1821.1	38.0%*
FY23	104.8	-5.6%	1767.2	-3.0%
FY24	158.4	51.1%	1321.3	-25.2%
Q1FY24	23.1		369.3	
Q1FY25	25.3	9.9%	306.2	-17.1%

Note -* compared with pre-pandemic year FY20; Source: Gems & Jewellery Export Promotion Council (GJEPC), CareEdge Research

The cut & polished diamond segment is an export-oriented segment in India. During FY24, the cut & polished segment contributed 50% of the overall exports in the gems & jewellery segment and the overall exports of cut & polished diamonds stood at Rs. 1,321.3 billion in FY24, showing a 25.2% decline as compared to Rs. 1,767.2 billion in FY23. Also, imports during FY24 witnessed an increase of 51.1% to Rs. 158.4 billion as compared to Rs. 104.8 billion in the previous year.

In terms of volume, the exports of cut & polished diamonds stood at 189.2 lakhs carat in FY24 showing a 23% decline compared to FY23. In terms of volumes, the exports of cut and polished diamonds stood at 47.2 lakh carats in Q1FY25, an 8% decline compared to Q1FY24. The decline in exports was on account of rising inflation in global economies, cannibalization due to lab-grown diamonds and weak demand from China and Western countries. The imports grew by 9.9% y-o-y to Rs. 25.3 billion in Q1FY25.

The USA is a key market for India in cut and polished diamond exports, whereas Hong Kong is the second-largest export market followed by the UAE. The Indian gems and jewellery sector are exploring Cambodia, Vietnam, and the European Eastern Bloc – three relatively untouched markets with great export potential. The major import destination for India was Hong Kong until FY22, but in FY23, the UAE surpassed Hong Kong.

To boost the confidence of the cut and polished diamonds segment, the government announced a reduction in import duty on cut & polished diamonds in the previous budget 2022–2023 to 5% from 7.5%, which is expected to further help in strengthening the sector and retain its leadership position. Furthermore, in the Budget 2024–25, the finance minister announced safe harbour rates for foreign mining companies selling raw diamonds in the country. A safe harbor rate will help promote the diamond industry. Safe harbor rates refer to predetermined and fixed tax rates that provide a level of certainty and stability to a business. The tax compliance will become simpler and more suitable for attractive investments. With this, the small producers will be able to access rough diamonds directly from miners in India without having to travel abroad to participate in diamond auctions, this decision is likely to benefit the overall industry.

Rough Diamonds:

India is large importer of rough diamonds due to a huge diamond processing industry. The rough diamonds, once processed into cut and polished diamonds, are either exported or consumed domestically in jewellery. In FY24, rough diamond imports stood at Rs. 1,180.4 billion and contributed with 64% share in total G&J imports. In Q1FY25, the import of rough diamonds declined by 14.1% y-o-y to Rs 282.9 billion.

One of the reasons for the decline in the import of rough diamonds in FY24 was due to a two-month ban on imports from October 2023 to December 2023. The decision was announced by GJEPC, which acted as a representative of the Indian diamond industry. The reason for the ban was to establish a balance between demand and supply which was disturbed due to lower demand from the US and China. The prices of polished diamonds too had declined. However, the ban was lifted in December 2023 and prices have also stabilized. The prices of CPD were correcting faster as compared to prices of rough diamonds which mostly remained stable. This resulted in lower demand for the rough diamonds, consequently, decline in import.

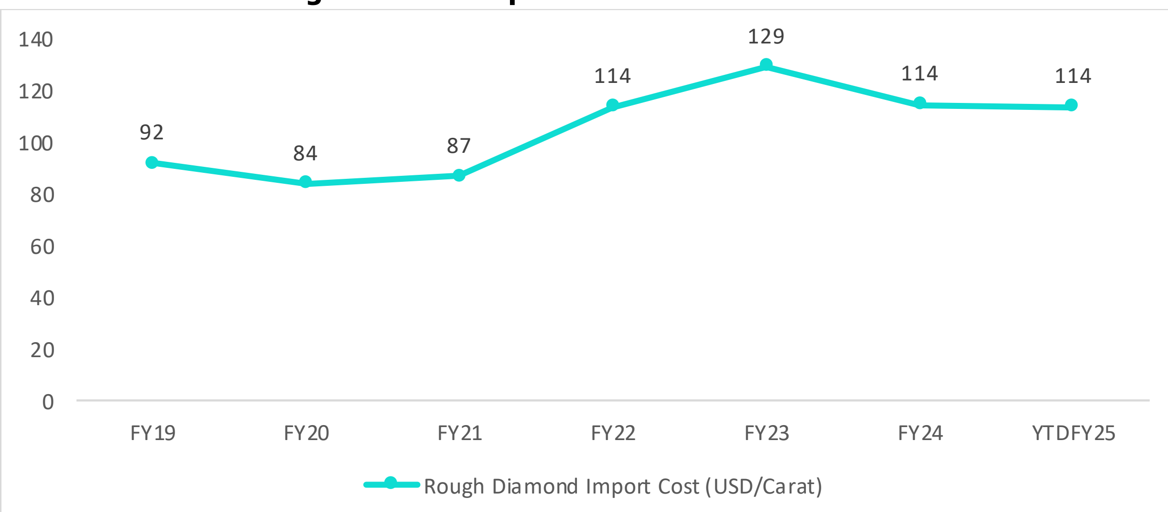
Table 5: Import Trend of Rough Diamonds

Rough Diamonds	Imports (Rs. In Billion)	Y-o-Y Growth (In %)	% Share in Total G&J Imports
FY20	921.6	-15.9%	53%
FY21	802.4	-12.9%	66%
FY22	1411.7	53.2%*	71%
FY23	1118.4	-20.8%	65%
FY24	1180.4	5.6%	64%
Q1FY24	329.5		76%
Q1FY25	282.9	-14.1%	63%

-* compared with pre-pandemic year FY20

Source: Gems & Jewellery Export Promotion Council (GJEPC), CareEdge Research

Chart 25: Trend in Rough Diamond Import Prices



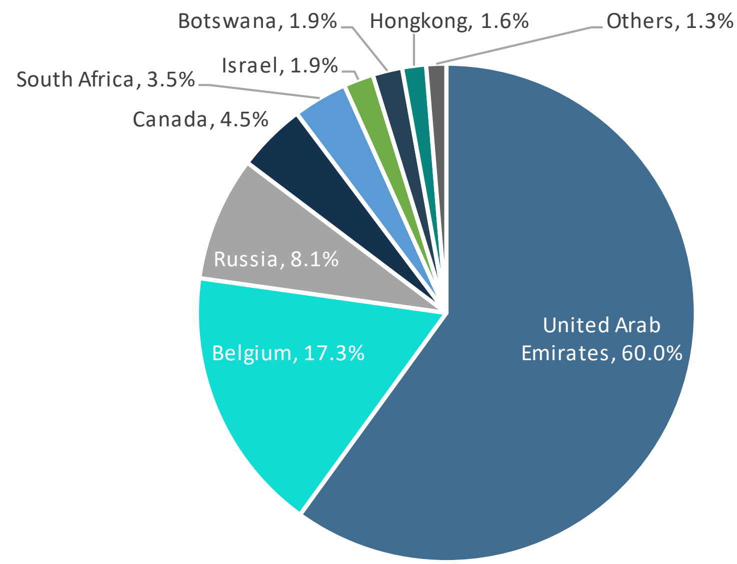
Source: Gems & Jewellery Export Promotion Council (GJEPC), CareEdge Research

Note: YTD denotes the period from April 2024 to June 2024

Rough diamond prices have increased over the past two to three years as the ongoing Russia-Ukraine war has resulted in a declined supply of rough diamonds. The supply from Russian miner Alrosa, one of the leading suppliers of small-sized diamonds, has been impacted significantly leading to the increasing rough diamond prices. However, the prices have corrected slightly in FY24 on account of weak global demand.

The United Arab Emirates (60%) had the highest share in rough diamond imports to India in FY24, followed by Belgium (17.3%), Russia (8.1%), Canada (4.5%), South Africa (3.5%), Israel (1.9%), Botswana (1.9%) and Hong Kong(1.6%).

Chart 26: Country-Wise Share in Imports of Rough Diamond in FY24



Source: Gems & Jewellery Export Promotion Council (GJEPC)

Gold Jewellery:

The gold jewellery market holds the second-largest share in G&J exports after the cut and polished diamonds segment. Gold jewellery accounted for 25% and 35% of total exports of G&J in FY23 and 10FY24, respectively.

Table 6: Exports of Gold Jewellery

Gold Jewellery (Rs. in billion)	Exports	Y-o-Y growth
FY20	852.3	2.4%
FY21	371.1	-56.5%
FY22	687.8	-19.3%
FY23	765.9	11.4%
FY24	923.5	20.6%
Q1FY24	162.9	
Q1FY25	185.5	13.9%

Note: *compared with pre-pandemic year FY20

Source: Gems & Jewellery Export Promotion Council (GJEPC), CareEdge Research

In FY24 gold jewellery exports increased by 20.6% y-o-y. The commissioning of the India-United Arab Emirates Comprehensive Economic Partnership Agreement (CEPA), resulted in significant growth in exports of plain gold jewellery balancing the gap in exports to key markets such as the United States of America and Hong Kong. The gold jewellery exports grew by 13.9% y-o-y in Q1FY25 as compared to Q1FY24.

Further, Dubai is a key market for Indian gold jewellery exports. The 'Dubai Gold Souk,' (Traditional gold market of Dubai) where Indian jewellery from Kolkata and Mumbai is popular, makes for a large portion of gold sales in Dubai. Mumbai, Chennai, and Kolkata account for the majority of gold jewellery exports. However, several exporters outsource manufacturing to Gujarat-based companies.

The India-UAE Free Trade Agreement (FTA) signed on 18th February 2022 and effective from 1st May 2022, is expected to raise India's gold jewellery exports, create jobs, and provide chances for skill development in the jewellery manufacturing and supply chain. The FTA between the two nations will encourage the establishment of a more organized wholesale of Indian-made gold jewellery. This breakthrough will make Indian-made jewellery even more appealing to UAE customers (residents and tourists).

Imports of Raw Gold:
After China, India is the world's second-largest gold consumer. India imports unwrought gold in the form of bars, gold plated with platinum or in semi-manufactured forms, and gold powder. Imports are mostly used to meet the demand of the domestic jewellery business. The demand for gold is expected to register a further increase on account of the festive and marriage seasons.

Table 7: Imports of Raw Gold

Year	Gold Imports (Rs. In Billion)	Y-o-Y Growth (%)	Gold Imports (In Kgs)	Y-o-Y Growth (%)
FY20	1,992.4	-13.2%	7,19,930	-26.7%
FY21	2,542.8	27.6%	6,51,240	-9.5%
FY22	3,440.9	35.3%	8,79,010	35.0%
FY23	2,804.8	-18.5%	6,78,300	-22.8%
FY24	3,772.5	34.5%	7,95,240	17.2%

Source: CMIE, CareEdge Research

The import duty on gold and silver findings and coins of precious metals had increased to 15% from 10% from January 2024. This includes Basic Custom Duty (BCD) of 10% and 5% of AIDC (Agriculture Infrastructure Development Cess). Findings are items like hooks, clips, pins, screws, etc., which are components of jewellery making.

From June 2024, the Directorate General of Foreign Trade (DGFT) has brought gold jewellery studded with pearls, diamonds and precious & semi-precious stones in the 'restricted' category from 'free' with immediate effect which means their import will require a government permit. These restrictions have been imposed as the imports from Indonesia under the India-ASEAN free trade agreement had surged and some articles of gold were coming duty free and being melted in India to make jewellery. UAE is however expemted from these restriction as per India-UAE CEPA.

However, in July 2024, the Finance Minister of India announced that the Customs Duty on precious metals like gold and silver will be reduced from 15% to 6% and for platinum, it will be reduced from 15.4% to 6.4%.

Domestic gold imports reached Rs. 3,772.5 billion in FY24 as compared to Rs. 2,804.8 billion in FY23. During FY24 the imports of gold imports in India saw a rise of 34.5% y-o-y in value terms, whereas, a rise of 17.2% y-o-y was seen in volume terms.

4 Gold Jewellery Wholesale Market in India

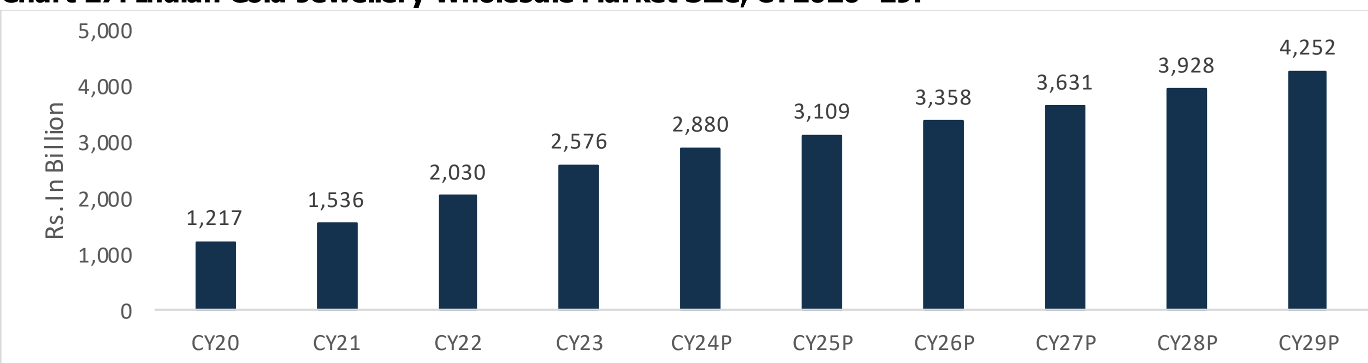
4.1 Indian Gold Jewellery Wholesale Market Size

India has one of the world's largest wholesale markets for gold jewelry. This market growth is driven by deep cultural significance and high consumer demand. It is made up of many small- and medium-sized enterprises (SMEs) as well as large players, and key hubs include Mumbai, Surat, and Chennai. These hubs are where goldsmiths and wholesalers operate extensive networks of artisans and retailers.

The growth of the wholesale gold jewelry market is closely tied to the expansion of retail jewelers across India. As organized retail continues to spread into tier 2 and 3 cities, particularly with the rise of branded jewelry stores, there is a growing demand for wholesalers to supply these outlets. Rapid urbanization and increasing disposable incomes further contribute to the wholesale market's growth, as the demand for gold jewelry increases in both traditional and contemporary designs. Additionally, wholesalers benefit from supplying customized and bulk orders to retailers, leveraging economies of scale to offer competitive pricing. However, there are challenges, such as fluctuating gold prices, regulatory changes, and a shift in consumer preference towards lighter and more contemporary designs.

Digitalization and e-commerce are changing the wholesale market, making prices more transparent and increasing its reach. Moreover, demand for traditional, handcrafted gold jewelry increases during festivals and weddings, further driving the market.

Chart 27: Indian Gold Jewellery Wholesale Market Size, CY2020–29P



Source: IMARC Group, CareEdge Research Analysis

In CY23, wholesale gold jewellery market reached a value of Rs. 2,576 billion in CY23, representing a CAGR of 28.4% from CY20 to CY23. The strong domestic demand is one of the main factors propelling the wholesale gold jewelry market's growth in India. Gold jewellery holds great cultural and traditional value in Indian society, which guarantees a consistent demand for it throughout the country. Wholesalers supply the large demand for gold jewelry during festivals, weddings, and other important occasions, which is met by retailers and local jewelers. The wholesale industry growth is driven by the constant need to restock inventory to meet consumer demand.

India is a prominent global exporter of gold jewelry. The wholesale sector is greatly boosted by the demand for Indian gold jewellery in foreign markets. The demand for both traditional and modern Indian gold jewellery is significant in nations like the United States, United Arab Emirates, and the United Kingdom, where there is a sizable Indian diaspora. The strong export demand continues to provide growth opportunities for the wholesale sector, especially as Indian jewelry gains more prominence globally.

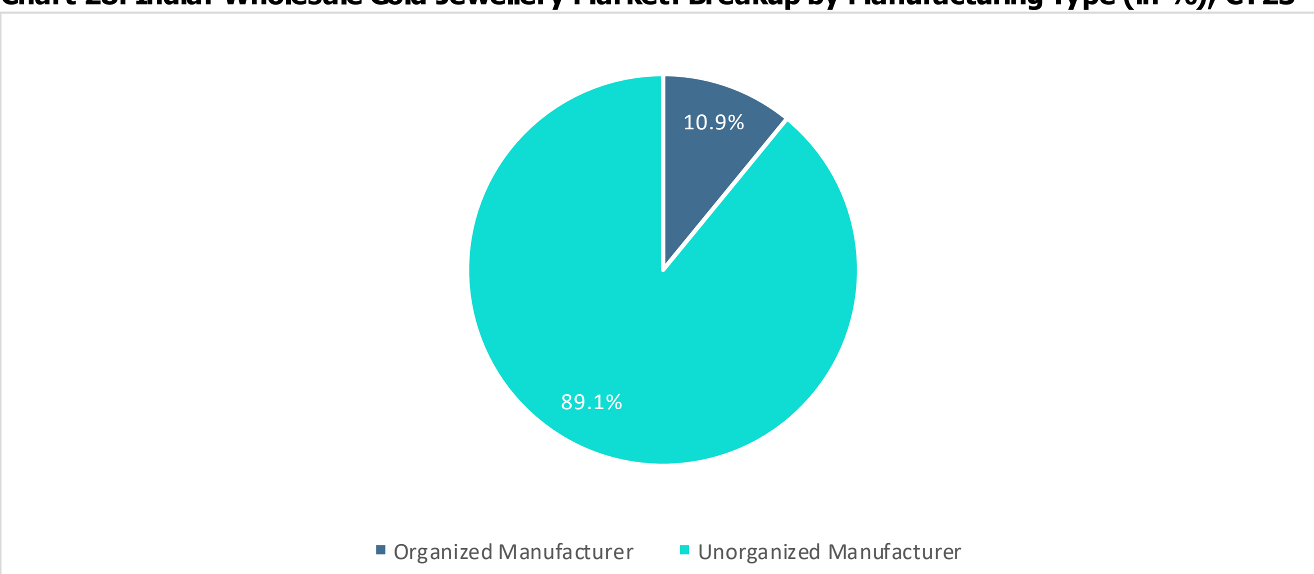
Looking forward, the market in this segment is expected to reach a value of Rs. 4,252 billion by CY29, exhibiting a CAGR of 8.1% from CY24 to CY29. Economies of scale help wholesale operations and are a major driving force in this market. Wholesalers can lower their overall cost per unit by negotiating better pricing with suppliers when they buy gold in bulk. Wholesalers benefit from negotiating lower making charges when buying in bulk, allowing them to reduce the overall cost of production. This cost-efficiency enables wholesalers to offer competitive prices to retailers and jewelers, encouraging larger purchases. By providing affordable solutions through reduced making charges, wholesalers play a crucial role in sustaining the growth of the wholesale gold jewelry market, even in a price-sensitive environment.

To satisfy the various tastes of retailers and final customers, wholesalers provide a wide variety of gold jewelry designs and styles. This wide assortment of products includes bridal, everyday wear, modern, and traditional jewelry. Retailers seeking to stock a variety of collections to satisfy their customers' likes and preferences are drawn to the possibility to offer a large selection of patterns in quantity. The diverse product range offered by wholesalers is a key driver of the market.

4.2 India Wholesale Gold Jewellery Market by Manufacturers

India's wholesale gold jewelry market is split between organized and unorganized sectors. The unorganized sector dominates, comprising numerous small manufacturers and artisans across regions like Mumbai, Jaipur, and Kolkata. These players often rely on traditional methods, producing intricate, handcrafted jewelry that caters to regional preferences. They have deep-rooted networks with local retailers, but face challenges such as limited access to capital and exposure to price volatility. In contrast, the organized sector, though smaller, is growing rapidly, led by established brands like Kalyan Jewellers, Malabar Gold & Diamonds and Joyalukkas, and Titan’s Tanishq. Market formalisation, driven by factors such as compulsory hallmarking, GST compliance, and consumer demand for transparency, has adversely impacted unorganized retailers, leading to market consolidation. Key players in the organized sector have seized this opportunity by expanding their retail footprints both domestically and internationally. For instance, from FY22 to FY24, Titan opened approximately 350 new retail stores, Senco Gold added 32 stores, and Kalyan Jewellers established 93 new outlets. As a result, the penetration of organized jewellery retailers has significantly improved between CY20 and CY23. Looking ahead, leading brands are poised to solidify their dominance further. They plan to add an estimated 400-440 new retail outlets across domestic and global markets in the near to mid term. Initiatives like hallmarking, GST compliance, and traceability have adversely impacted unorganized retailers, driving market consolidation.

Chart 28: India: Wholesale Gold Jewellery Market: Breakup by Manufacturing Type (in %), CY23



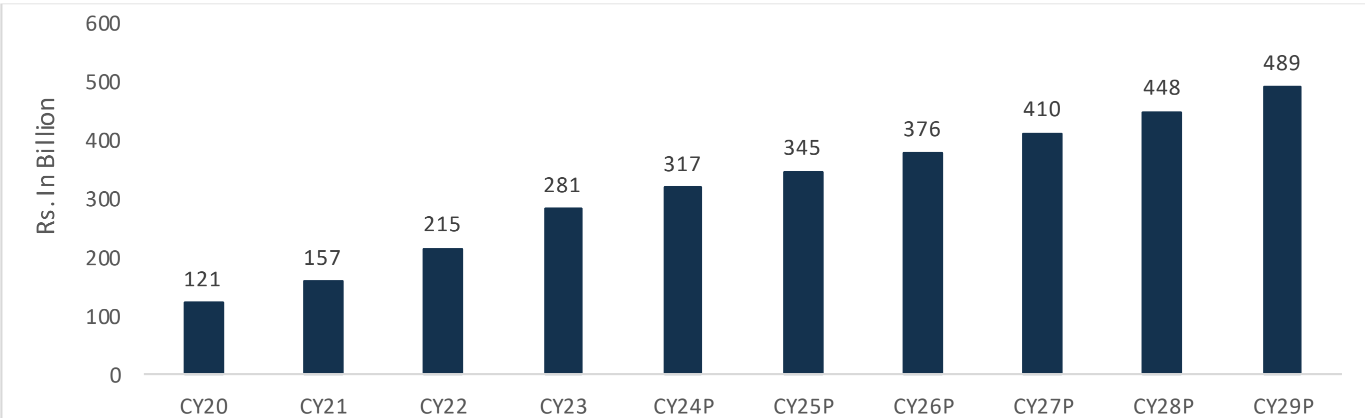
Source: IMARC Group, CareEdge Research

In CY23, Unorganized manufacturers represented the largest manufacturing type in India, accounting for a share of 89.1% of the total market. Unorganized manufacturers were followed by organized manufacturers (10.9%).

Organized Manufacturers

The organized wholesale gold jewelry market in India is dominated by large players, such as organized jewelry chains, branded jewelry manufacturers, and distributors. These entities often have multiple outlets across major cities and leverage economies of scale in procurement, manufacturing, and distribution.

Chart 29: India: Wholesale Gold Jewellery Market (Organized Manufacturers): Sales Value (in Rs. Billion), CY2020–29P



Source: IMARC Group, CareEdge Research Analysis

In CY23, organized manufacturers accounted for a share of 10.9% in the wholesale gold jewellery market, in India. The market reached a value of Rs. 281 billion in CY23, growing at a CAGR of 32.5% from CY20 to CY23. This is primarily driven by the shift from the unorganized to the organized sector. This shift can be attributed to several structural factors rather than just organic demand growth. One of the key reasons for this transformation is the implementation of the Goods and Services Tax (GST), which has brought greater transparency and accountability to the industry. Additionally, organized players benefit from economies of scale and better financial backing, allowing them to offer competitive pricing and a wider range of designs. There is a clear trend among Indian consumers toward favoring branded and certified jewelry. Organized wholesale markets are responding to this demand by providing a diverse array of branded products that prioritize quality, craftsmanship, and innovative design.

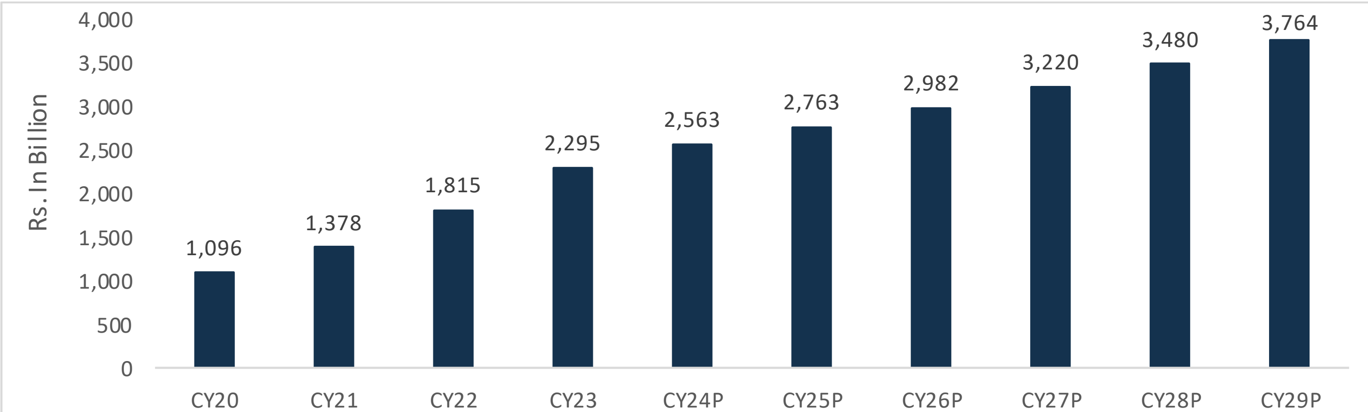
Looking forward, the market in this segment is expected to reach a value of Rs. 489 billion by CY29, representing a CAGR of 9.0% from CY24 to CY29. Global trends in jewelry fashion and design have a notable influence on the preferences of Indian consumers. Organized wholesale gold jewelers frequently integrate international styles and trends into their product offerings to attract fashion-conscious buyers. Traditional occasions, such as weddings and festivals, contribute significantly to the demand for jewelry in India. Organized wholesale gold jewellery markets capitalize on these peak seasons by providing enticing discounts, promotions, and specialized collections tailored to festive themes.

Organized wholesale gold jewelers are prioritizing innovation in design, marketing strategies, and customer experience to stand out in a competitive market. This involves collaborations with designers, the introduction of new collections, and digital marketing initiatives, all aimed at driving growth in the wholesale gold jewellery market during the forecast period.

Unorganized Manufacturers

The unorganized wholesale gold jewellery market in India plays a significant role, especially in rural areas and smaller towns. This market is characterized by local artisans, small-scale jewellers, and traditional business practices, often lacking formal documentation and standardization. It offers a wide variety of designs and customization at competitive prices, catering to diverse consumer preferences. However, challenges include inconsistent quality, lack of transparency, and limited access to modern technology. Despite government efforts to formalize the sector, the unorganized market remains a vital part of India's gold jewellery industry.

Chart 30: India: Wholesale Gold Jewellery Market (Unorganized Manufacturers): Sales Value (in Rs. Billion), CY2020–29P



Source: IMARC Group, CareEdge Research Analysis

In CY23, unorganized manufacturers accounted for a share of 89.1% of the Wholesale Gold Jewellery Market, in India. The market reached a value of Rs. 2,295.1 billion in CY23, growing at a CAGR of 27.9% during CY20– CY23.

A significant driver of this growth is consumer price sensitivity. The unorganized sector often offers jewelry at lower prices than organized retailers, which is partly due to their ability to sell without issuing tax bills. This pricing advantage broadens access, particularly in rural and semi-urban areas. Additionally, the unorganized sector excels in customization, providing flexibility in jewelry designs. Customers frequently seek personalized pieces tailored to their preferences, including design, metal choice, gemstones, and budget considerations.

Small-scale jewelers in the unorganized sector excel in catering to local market preferences and personalized customer needs, addressing niche demands often overlooked by larger retailers. Many consumers prefer these local jewelers for their trusted relationships and personalized service, which often surpass the advantages offered by larger, more impersonal stores.

Looking forward, the market in this segment is expected to reach a value of Rs. 3,764 billion by CY29, representing a CAGR of 8.0% from CY24 to CY29. In the unorganized sector, jewelers often provide informal credit facilities and flexible payment options, which are attractive for substantial purchases like wedding jewelry. This sector's widespread physical presence, especially in smaller towns and rural areas where organized retail chains are less common, is expected to fuel market expansion.

Different regions in India have distinct jewelry preferences in styles, designs, and materials. The unorganized wholesale gold jewellery market specializes in offering customized products that cater to these regional preferences. The sector's adoption of technology, such as digital payment systems and online platforms, enhances accessibility and expands market reach beyond traditional retail channels, facilitating convenient transactions and increasing customer interaction.

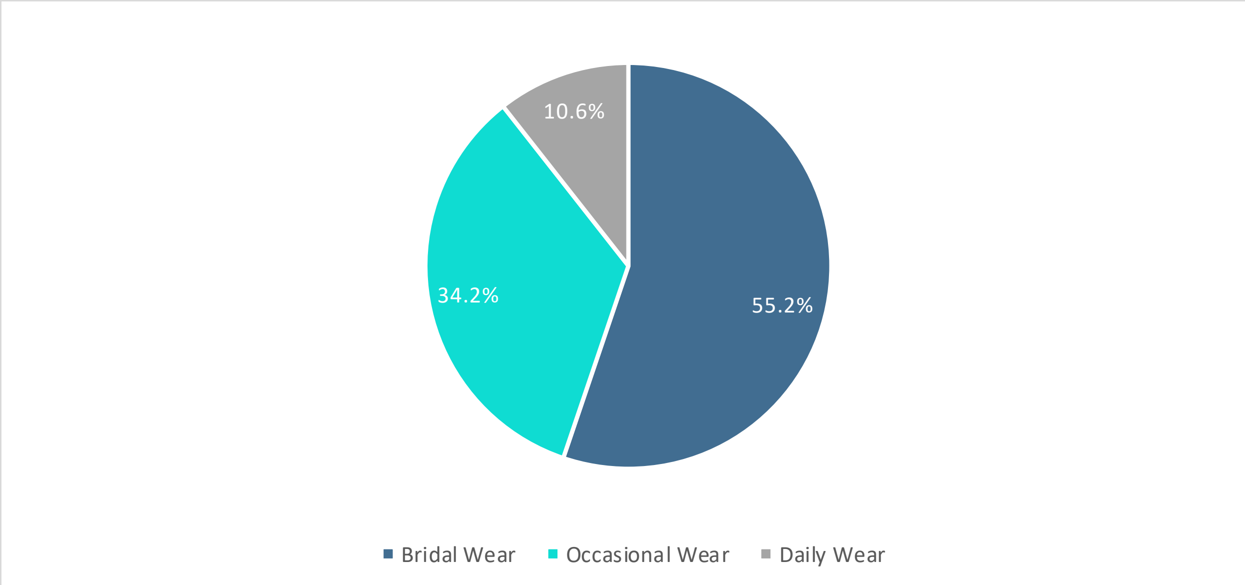
4.3 SWOT Analysis of Organized Jewellers in India

Strengths	Weaknesses
Brand Recognition: Established brands like Tanishq, Kalyan Jewellers, and Malabar Gold & Diamonds enjoy strong brand loyalty and trust among consumers. Quality Assurance: Organized jewellers offer certified products, ensuring purity and quality, which builds customer confidence. Wide Distribution Network: Extensive retail presence across urban and semi-urban areas, with a growing online presence, ensures accessibility to a broad customer base. Innovation and Design: Focus on contemporary designs and innovation helps in catering to diverse customer preferences, including younger demographics.	High Operational Costs: Organized players often face higher operational and compliance costs, leading to higher prices compared to unorganized players. Limited Reach in Rural Areas: Despite a strong urban presence, the reach in rural areas remains limited, where unorganized players dominate. Dependency on Gold Prices: Fluctuations in gold prices can directly impact sales, as higher prices may deter cost-sensitive customers. Regulatory Compliance: The need to adhere to stringent government regulations and taxation can limit flexibility and increase operational complexity.
Opportunities	**Threats**
Growing Middle-Class Affluence: Increasing disposable incomes and changing consumer preferences provide opportunities for growth in both traditional and contemporary gold jewellery. Digital Transformation: Expanding online sales channels can tap into the growing e-commerce market and reach tech-savvy customers. Rising Demand for Branded Jewellery: As consumers become more quality-conscious, there is a growing demand for branded and certified jewellery. Also, shift from unorganized to organized sector is creating the opportunities. Expansion in Tier 2 and 3 Cities: Organized players can capitalize on the growing affluence and demand in smaller cities and towns by expanding their presence.	Competition from Unorganized Sector: The unorganized sector's ability to offer lower prices due to minimal overheads remains a significant threat. Economic Downturns: Economic slowdowns or recessions can reduce discretionary spending on luxury items like gold jewellery. Regulatory Changes: Any adverse changes in taxation, import duties, or government policies related to the jewellery sector can impact profitability. Price Volatility: Gold price volatility, driven by global economic factors, can influence consumer buying behavior and market stability.

4.4 Indian Wholesale Gold Jewellery Market Breakup by Wearing

The Indian wholesale jewellery market is segmented based on the type of wear, which includes bridal wear, occasional wear, and daily wear.

Chart 31: Indian Wholesale Gold Jewellery Market Breakup by Wearing (in %), CY23



Source: IMARC Group, CareEdge Research Analysis

- **Bridal Wear**

The Indian bridal jewellery market is a dominant segment, driven by cultural traditions and the significance of weddings. Bridal jewellery typically features heavy, ornate designs using gold, diamonds, Kundan, and Polki. This segment sees the highest demand in regions like North and South India, particularly during the wedding season. In CY23, the distribution of wedding expenditures in India highlights the significant allocation of funds across various categories. Jewellery holds a vital place in Indian weddings, with 23–25% of expenditures dedicated to it, reflecting its deep cultural and symbolic significance. Key trends include an increase in destination weddings and a preference for heritage designs, which continues to make bridal jewellery a crucial part of the wholesale jewellery market in India.

- **Occasional Wear**

The occasional wear segment in the Indian jewellery market caters to festivals, family functions, and special events. This segment is characterized by demand for semi-precious stones, contemporary designs, and versatile pieces that balance tradition with modern aesthetics. Cities like Mumbai, Delhi, and Bangalore drive significant sales during festive seasons, particularly Diwali. The market is evolving with younger consumers preferring lightweight and affordable options, making occasional wear a growing area in the wholesale jewellery sector.

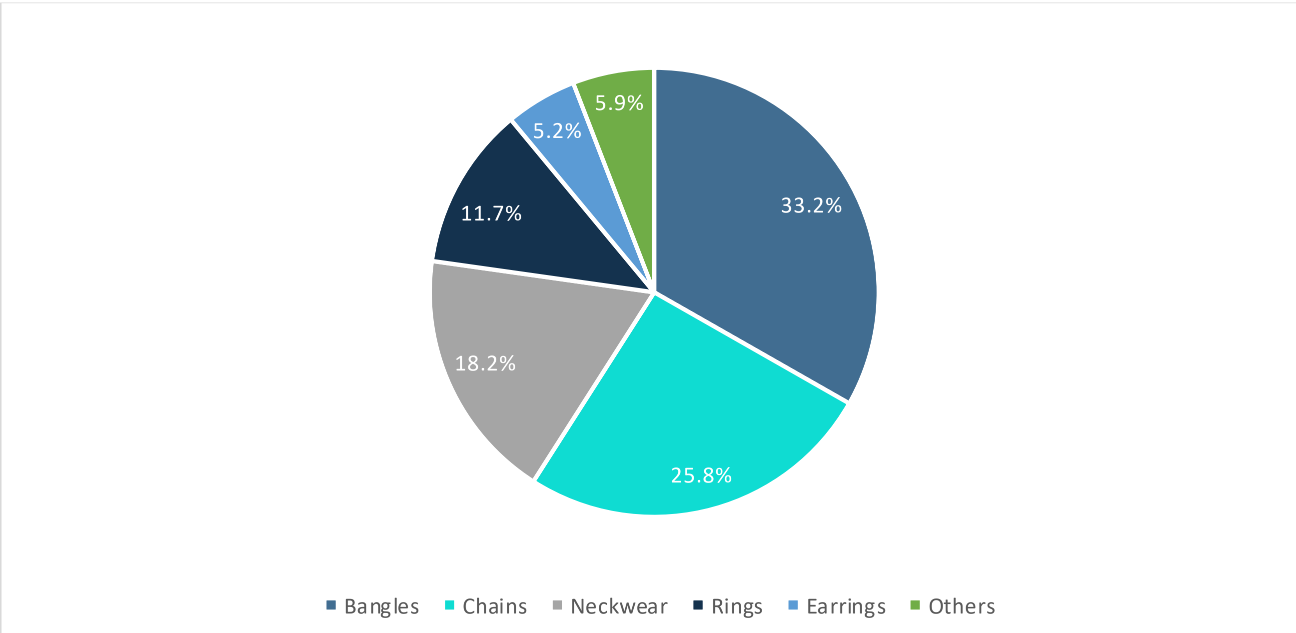
- **Daily Wear**

Daily wear jewellery in India is gaining traction, particularly in urban and semi-urban areas. This segment focuses on minimalistic, lightweight, and durable designs suitable for everyday use, such as simple gold chains, rings, and earrings. With the rise of working professionals, there is a steady demand for affordable yet stylish pieces. Regions like Maharashtra, Gujarat, and West Bengal show consistent demand due to their large urban populations and high concentration of working professionals. Maharashtra, particularly Mumbai, is a major economic hub with a diverse workforce. Gujarat, with its thriving business community and growing urbanization, has a significant market for daily wear jewellery. West Bengal, especially Kolkata, has a rich cultural heritage and a substantial population that contributes to the steady demand for daily wear pieces. Though smaller than bridal or occasional wear, the daily wear segment is a growing component of the wholesale jewellery market.

4.5 Indian Wholesale Gold Jewellery Market Breakup by Product Type

The Indian wholesale jewellery market is segmented based on product type, which includes neckwear, rings, earrings, chains, and bangles/bracelets.

Chart 32: Indian Wholesale Gold Jewellery Market Breakup by Product Type (in %), CY23



Source: IMARC Group, CareEdge Research Analysis

- **Neck Wear**

The neck wear segment, including necklaces, chokers, and pendants, is a cornerstone of the Indian wholesale jewellery market. It is highly diverse, with demand ranging from heavy, ornate designs in gold and diamonds for weddings to lightweight, everyday wear pieces. Traditional styles like Kundan and Temple jewellery remain popular, especially in South India. The segment sees peak demand during the wedding and festive seasons, with a growing trend towards customizable designs that blend traditional motifs with modern aesthetics.

- **Rings**

Rings are a versatile and highly popular product in the Indian wholesale jewellery market. This segment includes everything from elaborate bridal rings, often adorned with diamonds and precious stones, to simple, everyday gold bands. Engagement rings are a significant driver, with a strong preference for solitaire diamonds. Rings also serve as popular gifting options during festivals and special occasions. The demand for innovative designs, including stackable and multi-finger rings, is on the rise, particularly among younger consumers.

- **Earrings**

Earrings are a key segment in the Indian jewellery market, catering to various occasions, from daily wear to weddings. The range includes studs, hoops, jhumkas, and chandbalis, with gold and diamonds being the most sought-after materials. Demand for lightweight and versatile designs is growing, especially among urban consumers. Earrings are also a popular gifting choice, driving consistent sales throughout the year. Regions like Maharashtra and Gujarat show strong demand for both traditional and contemporary styles, making this segment a staple in the wholesale market.

• **Chains**

Chains are a fundamental part of the Indian wholesale jewellery market, favored for their simplicity and versatility. Gold chains dominate this segment, available in a variety of styles such as plain, beaded, and rope designs. Chains are popular as everyday wear, particularly among men and working professionals. They also serve as a common gifting item, especially during festivals and family occasions. The market for lightweight and durable chains is expanding, with increasing demand from urban and semi-urban areas.

• **Bangles/Bracelets**

The bangles and bracelets is the largest market segment. Bangles and bracelets hold a special place in Indian jewellery, symbolizing tradition and elegance. This segment includes a wide range of products, from heavy, ornate bridal bangles to sleek, contemporary bracelets. Gold bangles are particularly popular in South India, while diamond-studded bracelets are gaining traction among younger consumers. The demand peaks during wedding seasons and festivals like Diwali and Raksha Bandhan. The trend towards mixing traditional designs with modern styles is driving innovation in this segment within the wholesale market.

4.6 Outlook of the Gold Jewellery Wholesale Market in India

The Indian gold jewellery wholesale market is poised for steady growth, driven by robust demand across various segments. Bridal jewellery remains a significant contributor, bolstered by cultural traditions and the rising trend of lavish weddings. Additionally, increasing urbanization and rising disposable incomes are fueling demand for occasional and daily wear gold jewellery. The market is also witnessing a shift towards lightweight and contemporary designs, catering to younger consumers seeking both style and affordability.

However, challenges, such as fluctuating gold prices and stringent government regulations on gold imports, may impact market dynamics. Despite these challenges, the long-term outlook remains positive, with innovations in design and growing consumer preference for certified and branded gold jewellery expected to drive growth. The adoption of digital platforms for wholesale transactions is further enhancing market accessibility, positioning the Indian gold jewellery wholesale market for continued expansion.

Recent Trends in Jewellery market in India

• **Rise of Minimalistic Designs:** Minimalistic jewellery designs are gaining popularity, especially among younger consumers. These designs emphasize simplicity and elegance, often featuring lightweight gold and diamond pieces. The trend is driven by changing fashion preferences and the desire for jewellery that complements everyday wear.
• **Digital and Omni-channel Strategies:** The jewellery market is increasingly integrating digital strategies, with retailers adopting omni-channel approaches to enhance customer experience. Online platforms are not just for sales but also for virtual try-ons, consultations, and customizations. The adoption of AI and AR tools in the online space has further enhanced consumer engagement.
• **Expansion of the Wholesale Gold Jewellery Market:** The wholesale gold jewellery market is experiencing a shift towards organized trade. Wholesalers are adopting technology to streamline operations, improve inventory management, and enhance transparency. There is also a growing trend of direct sourcing from mines and refineries, reducing dependency on intermediaries.
• **Increased Demand for Pre-Owned and Vintage Jewellery:** Owned and vintage jewellery is becoming increasingly popular, driven by a growing interest in sustainable fashion and unique, heritage pieces. Retailers and wholesalers alike are tapping into this trend by offering refurbished and certified pre-owned jewellery, often at more affordable prices.
• **Influence of Global Design Trends:** Global design trends are influencing Indian jewellery preferences. There is a noticeable increase in demand for jewellery styles inspired by international fashion, such as Italian or Middle Eastern designs. This trend is particularly strong in metro cities, where consumers are more exposed to global fashion trends.
• **Focus on Customization in Wholesale Gold Jewellery:** In the wholesale gold jewellery market, there is a rising demand for customization. Wholesalers are increasingly offering bespoke designs to cater to the specific needs of

retailers, who in turn provide personalized pieces to end consumers. This trend is helping wholesalers differentiate themselves in a competitive market.

• **Hallmarking and Certification:** With the mandatory hallmarking of gold jewellery introduced in January 2021, there has been an increased focus on certified products in the wholesale market. Wholesalers are now more inclined to deal with hallmarked gold, ensuring quality and authenticity, which has boosted consumer confidence and led to greater demand for certified products.

Outlook on the Organized and Unorganized Segments

• **Organized Segment**

The organized jewellery segment in India is on a strong growth trajectory. Driven by increased consumer awareness about quality and certification, this segment is rapidly gaining market share. The implementation of government regulations, such as mandatory hallmarking of gold jewellery and the Goods and Services Tax (GST), has provided an additional boost to organized players, who are better equipped to meet these requirements. Major brands like Tanishq, Kalyan Jewellers, and Malabar Gold & Diamonds are expanding aggressively, particularly in tier II and III cities, to tap into the growing demand for branded, certified jewellery.

Furthermore, the adoption of digital platforms, omni-channel retail strategies, and personalized customer experiences are enhancing the appeal of organized players.

• **Unorganized Segment**

The unorganized segment will continue to dominate the market due to deep-rooted cultural ties, strong customer relationships, and the trust placed in local jewellers. However, increasing competition from organized players, rising consumer preference for branded products, and government regulations aimed at formalizing the sector are driving gradual shifts. The implementation of hallmarking standards and GST has begun to erode the cost advantage traditionally enjoyed by unorganized jewellers. Yet, their flexibility in pricing, extensive product variety, and strong presence in rural areas will allow them to retain a significant share. Local jewellers often offer flexible payment options, such as allowing delivery first with payment in installments, which enhances their appeal.

The segment's future will hinge on its ability to adapt to evolving consumer expectations and regulatory changes while maintaining its traditional strengths.

5 Regulatory Process and framework for the Gems & Jewellery Industry in India

5.1 FDI Norms

The gems & jewellery industry is the second-largest Foreign Exchange Earner (FEE) in the Indian economy. India is known as the hub of global jewellery due to its low costs, availability of skilled labor, and other benefits like policy support etc. Various government policies support the industry. Currently, 100% Foreign Direct Investment (FDI) is permitted in the sector under the automatic route.

This sector has become a focus area for promoting exports. The government has taken various initiatives for investment promotion and technology upgradation. The country is looking forward to building a 'Brand India' in the global market because of its growth prospects.

The Government of India's decision to bring FDI into the retail market expedited the growth in the organized jewellery sector. This facilitated substantial job opportunities in various departments like logistics, repackaging centres, distribution channels, housekeeping, security, etc. FDI has been one of the key drivers in uplifting the jewellery sector and contributing towards the overall development of the economy.

5.2 Goods & Services Tax (GST)

Prior to the introduction of the GST regime, gold attracted a 2% tax, consisting service tax and a value-added tax (VAT) of 1% each. The tax rate levied on gold sales increased from 2% to 3% due to the introduction of GST and had a critical impact on the jewellery industry. An additional 5% GST is applicable on the making charges of gold jewellery in India. GST of 1.5% is levied on cut and polished diamonds. Implementation of GST benefited interstate business transactions as different states operated varying tax structures before the GST, which subsumed into a single tax rate post-GST rollout. It has also simplified the purchase of bullion. Further, the implementation of GST has improved transparency and accountability, especially in the organized sector.

5.3 Gold Imports by the RBI

Given that gold is thought to be a reliable inflation safeguard and that global inflation is on the rise, central banks have become a major source of gold demand. The RBI purchases gold frequently for its reserves with the objective of diversifying the assets under which the country's foreign exchange reserves are held. This is used as a safe investment tool against inflation and brings stability to the overall reserves of the central bank during that inflationary period. Gold is usually bought in the form of gold bars. RBI's gold reserves stood at 822.1 metric tonnes as of march 2024.

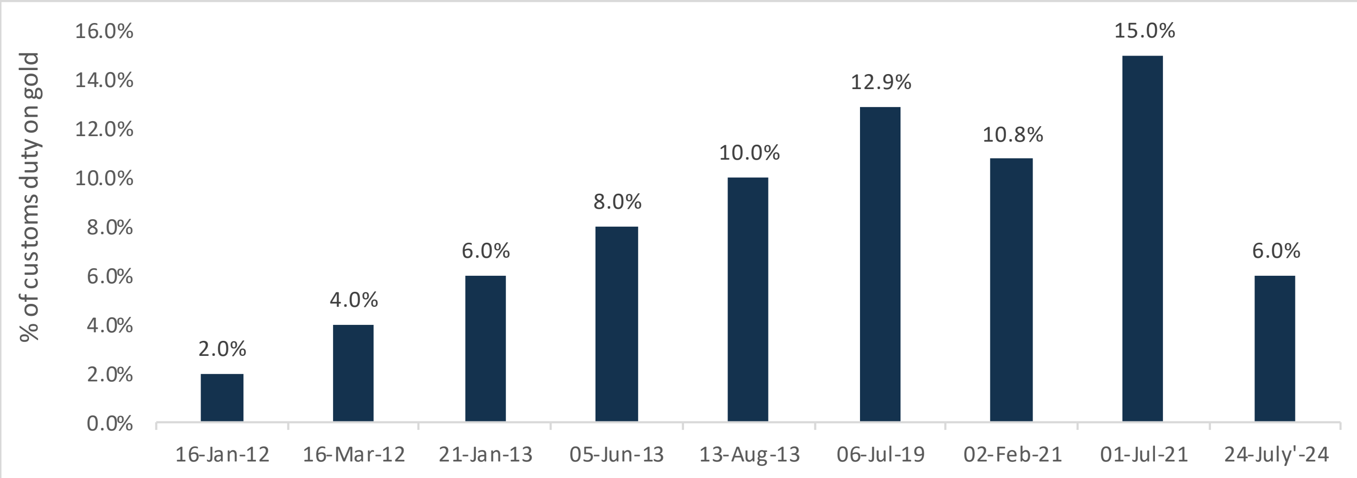
5.4 Latest Budget Provisions for the Gems and Jewellery Industry in India

The 2024–25 Union Budget introduced several reforms to streamline the gold market, promoting transparency and growth in the industry. Key measures include:

- **Reduction in import duty on gold and gold doré:**

A notable cut of 9% in the import duty on gold and gold doré has been introduced. Total customs duty on gold was reduced from 15% to 6%, while the duty on gold doré was slashed from 14.35% to 5.35%. This marks the sharpest duty reduction since 2013, and duties had remained above 10% for over a decade. These changes are effective from 24 July 2024.

Chart 33: Significant Cuts in Customs Duty on Gold



Source: Ministry of Finance, World Gold Council, CareEdge Research Analysis

- **Changes in taxation on long-term capital gains for gold:**

The holding period for long-term capital gains taxation on gold has been shortened from 36 months to 24 months. Additionally, the rate for long-term capital gains tax has been reduced from 20% with indexation to 12.5% without indexation. This change is applicable from 23 July 2024, providing significant tax relief for gold investors.

- **Recategorisation of gold ETFs and mutual funds:**

Gold ETFs and gold mutual funds will no longer be classified under "Specified Mutual Funds." The holding period for long-term capital gains on these assets has been reduced to 12 months for listed securities and 24 months for unlisted securities. Gains from listed gold ETFs or mutual funds held beyond 12 months will be taxed at 12.5%, while unlisted ones held for over 24 months will also face a 12.5% tax rate. These changes are set to take effect from 1 April 2026, impacting the assessment year 2026–27.

The Union Budget 2023–24, announced by the Finance Minister Mrs. Nirmala Sitharaman had some new provisions and updates for the gems and jewellery industry. They are as follows:

- **Reduction in customs duty on seeds used to make lab-grown diamonds**

The import duty on seeds used to make lab-grown diamonds was reduced from 5% to 0% to boost domestic manufacturing.

- **The conversion of physical gold into digital gold will not attract capital gains tax**

Basic customs duty (BCD) on gold bars was reduced to 10% from 12.5% but the Agriculture Infrastructure Cess was increased to 5% from the 2.5%. Overall, there was no change in the tax implication on gold imports.
Increase in customs duty on Articles of Precious Metals, such as gold/silver/platinum

The customs duty on the import of items made of rare metals like gold, silver, and platinum was increased from 20% to 25%.

- **Increasing Import Duty on Gold and Silver Findings**

The import duty on gold and silver findings and coins of precious metals has increased to 15% from 10%. This includes Basic Custom Duty (BCD) of 10% and 5% of AIDC (Agriculture Infrastructure Development Cess). Findings are items like hooks, clips, pins, screws, etc., which are components of jewellery making. Further, the Finance Ministry has also increased the import duty on precious metals to 14.35%.

- **Facilitation of Jewellery Exports via E-Commerce**

India is the global leader in this industry and its exports were affected adversely due to COVID-19. The government had aided to promote the export sector by accelerating the exports through e-commerce and a simplified regulatory framework for the same was implemented by June 2022. As a result, it will increase the international customer database in the near future which will boost the sales as the international customers will have easy access in terms of purchase.

▪ **Regulation of Online Market**

In continuous efforts to boost the industry, the government will also formulate a regulation of the gems and jewellery market in the online platform. This system will facilitate in monitoring of transactions and protection of data in today's digital world where there is a large space for fraudulent activities to take place. This will also help in rural economy development and will build the confidence of the customers while following fair and transparent trade practices.

The reforms initiated by the government will enhance the operations in the Indian market and provide a platform to compete against other jewellery dealers at the global level.

5.5 Central Government's Gold Monetization Scheme

Gold Monetization Scheme (GMS) is a scheme, which was launched by the Central Government of India in November 2015 to make productive use of the gold kept idle at home or stored by households and institutions of the country in their bank lockers. Another motive behind this scheme was to reduce the country's dependency on gold imports. Individuals, institutions, corporations, and temple trusts can deposit their gold for a short-, medium-, and long-term period with RBI-designated banks under this scheme. This will help them earn interest at a rate of interest chosen by the Central Government.

The government modified the existing Gold Deposit Scheme and Gold Metal Loan Scheme with the intention to permit investors to earn term deposits with both interest earnings and security on their investments in gold. This scheme has benefited them in saving costs of gold storage and also helped the government bear borrowing costs.

With the new Revamped Gold Monetization Scheme in 2021, a few more additional provisions were added to the GMS.

Revamped Gold Deposit Scheme (R-GDS):

- Increase of banks' participation in GMS
- Dematerialization of Medium-Term Government Deposit (MTGD) Long Term Government Deposit (LTGD) Certificates for tradable and mortgageable
- Encourage jewellers as Collection and Purity Testing Centres (CPTCs)
- Reduction of minimum deposit under R-GDS
- Payment of interest in respect of STBD
- Permission is given to banks to purchase standard locally refined/sourced from refineries and Gold Spot Exchanges
- Interbank lending of IGDS/LBMA standard Bullion
- Development of the GMS digital platform for transparency and traceability
- Public communications and awareness program
- Use of MLTGD gold under GMS for bullion leasing under GML

Revamped Gold Metal Loan (R-GML):

- Repayment of Gold Metal Loan (GML) in lots of 1kg
- Repayment of the gold loan under GML using locally sourced IGDS standard bullion
- Availability of GML to all jewellers with a valid working capital credit limit

All these amendments have been implemented to strengthen the Gold Monetization Scheme. To alleviate the financial distress caused by COVID-19 among households, small businesses, and entrepreneurs, the RBI has provided a relaxation by increasing the permissible loan-to-value ratio (LTV ratio indicates the percentage value of the property which can be granted to a borrower by banks) to 90% from 75% for those availing loans against gold and jewellery for non-agricultural purposes. At present, the government is reconsidering the scheme as not being effective and not attaining its goals. Moreover, the cost of the scheme is said to outweigh its benefits.

5.6 Training Initiatives by Government Agencies such as the Gems and Jewellery Skill Council of India
The Gems and Jewellery Skill Council of India (GJSCI) is a council body established in 2012 under the supervision of the National Skill Development Corporation (NSDC) and is presently operating under the Ministry of Skill Development & Entrepreneurship (MSDE). GJSCI is an institution that encourages skill development among the workforce in the Indian gems & jewellery industry. They provide training for the processing of diamonds, coloured gemstones, manufacturing of jewellery, and other areas such as wholesale, retail, and exports. They also undertake initiatives to provide manufacturing setups with the latest technology and other resources for upgrading.

Its founding organizations are as follows:

1. The Gem & Jewellery Export Promotion Council (GJEPC): GJEPC, setup by the Ministry of Commerce, Government of India in 1966, is the apex body that drives the growth of Indian exports in the gems & jewellery industry. It eases interaction between the industry and the Ministry of Commerce & Industry, Ministry of Finance, DGFT, Department of Commerce, and Department of Finance on issues related to trade. It holds integrity and carries out the Kimberly Process Certification Scheme for diamonds. It also runs various training institutes, which focus on manufacturing skills, design, and other technical skills required in the industry. GJEPC helped Micro, Small & Medium Enterprises (MSMEs) by providing modern machines that are affordable. GJEPC addresses the concerns and issues that are faced in the gems & jewellery industry. They identified the need for a new revamped Gold Monetization Scheme, import duty reduction of gold, hallmarking etc. Recently, the organization arranged numerous trade events and webinars virtually for buyers and sellers across the globe which helped the industry in the recovery process. A few of them include virtual IIJS, India Global Connect, virtual International Gems & Jewellery Show (e-IGJS), etc.

2. All India Gem and Jewellery Domestic Council (GJC): It is a national trade federation established to promote and advance the growth in the gems & jewellery industry. It ensures fair-trade practices carried out in the industry and manages the efficiency of businesses. GJC constitutes various divisions such as wholesalers, retailers, allied, gold, silver, platinum, diamonds, gem stones, machinery, etc. It is responsible for developing uniformity and promoting transparency and compliance standards which ultimately contribute towards industrial growth and development.

3. The SEEPZ Gems & Jewellery Manufacturers' Association (SGJMA): SEEPZ was founded in 1989 and represents the gems and jewellery units in the SEEPZ SEZ region. It is established by jewellery units in SEEPZ and resolves problems arising in export production and growth.

4. The Jewellers Association, Jaipur: It was formed for the progress and growth of the gem & jewellery trade of Jaipur. The Association conducts shows/exhibitions as well to enable exhibitors and buyers to interact directly.

5.7 Hallmarking of Jewellery in India
Bureau of Indian Standards (BIS) introduced the hallmarking scheme under the BIS Act, Rules and Regulations for jewellery in India in 2000 and the same was made mandatory with effect from June 2021. From July 1, 2021, all gold jewellery products have to be hallmarked with Hallmark Unique Identification (HUID) only. The hallmark consisted of 3 marks viz, BIS logo, purity of the article, and six-digit alphanumeric HUID. Each hallmarked article has a unique HUID number which is traceable.

However, the old hallmarked jewellery with four marks without HUID was also permitted to be sold by the jewellers simultaneously with the 6-digit HUID mark. The hallmark on the jewellery indicates the quality of jewellery and it protects the interest of consumers by having quality checks on jewellery.

BIS conducts random market surveillance on accredited jewellers at set intervals. This involves collecting hallmarked gold jewellery from a licensee's retail store or manufacturing facility and having it examined for compliance at a BIS-accredited hallmarking centre. BIS also has an advanced online digital solution in which the assaying and hallmarking centre is automated.

Furthermore, the hallmarking of the jewellery builds trust in the consumers as it gives them a sense of purity in carats. As a result, they tend to buy more and more jewellery from trusted brands which increases the sales of the jewellery. With the introduction of the scheme, not only customers but also the owners of jewellery outlets have benefitted. The Bureau of Indian Standards scheme has been successful in uplifting the quality and increasing reliance on the gems and jewellery industry.

5.8 Jewellery Parks

Jewellery parks are integrated industrial parks, which provide access to facilities under one roof, including manufacturing units, commercial areas, residences for industrial workers, commercial support services, and an exhibition centre. Multiple state governments promote the setting up of jewellery parks to encourage the gems and jewellery sector, which is currently characterized by a poor working environment, low economies of scale, limited space for modern machinery, etc.

Jewellery parks will help in streamlining manufacturing which will in turn improve the domestic and international trade. The existing special economic zones (SEZs) - Sitapura Special Economic Zone in Jaipur and Santacruz Electronics Exports Processing Zone (SEEPZ) in Mumbai have sizeable manufacturing units with modern technology that has helped improve export potential.

Currently, there are two jewellery parks operational in Ankurhati, West Bengal, and another in Surat, Gujarat. Ankurhati focuses on plain gold jewellery whereas Surat engages in diamond cutting and polishing, and jewellery manufacturing. Three more jewellery parks are coming up – two in Mumbai and one in Raipur.

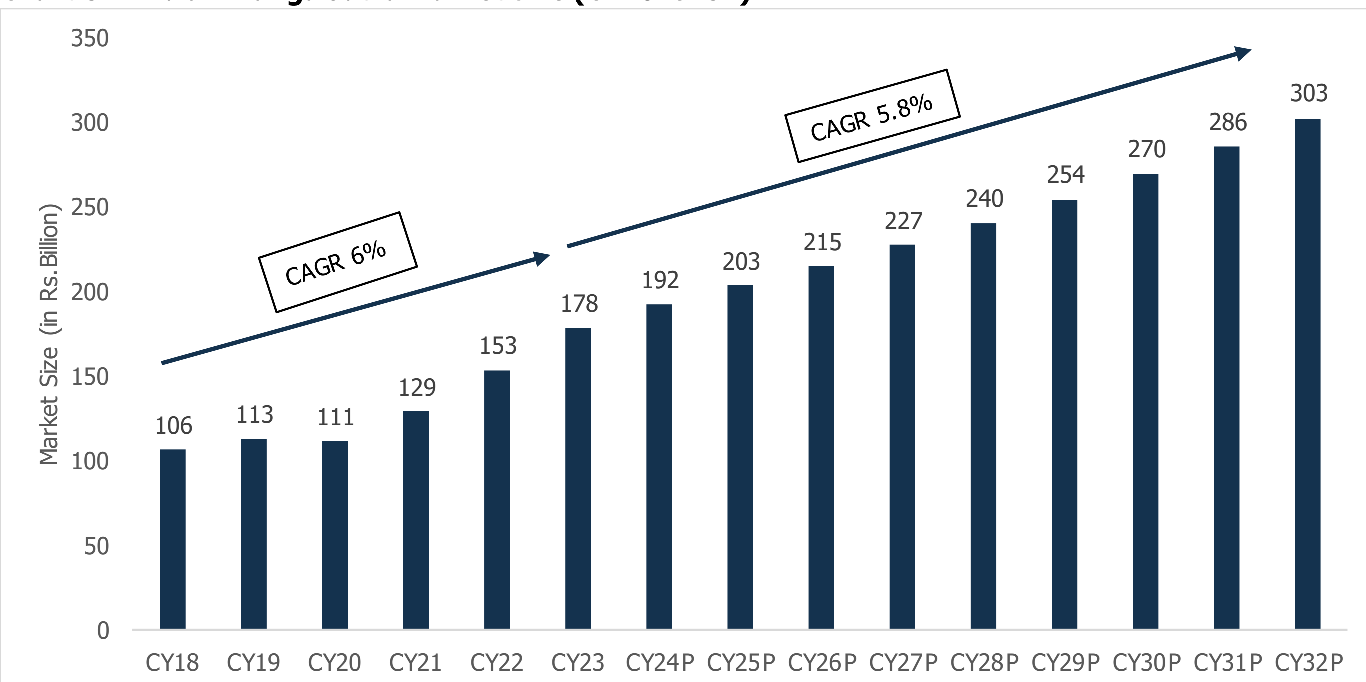
6 Indian Mangalsutra Market

6.1 Indian Mangalsutra Industry Market Size & Trends

The cultural and spiritual importance of the Mangalsutra profoundly impacts Hindu marriages. It symbolizes marital status and is esteemed as a sacred thread is believed and extends the life of the spouse. This cultural relevance ensures that Mangalsutras are perpetually in demand across various Indian communities and regions. Its ritualistic value makes it an essential item for weddings, thereby maintaining a steady market demand.

Mangalsutras in India are designed in numerous styles and patterns to reflect local customs and preferences. For instance, the Maharashtrian Mangalsutra differs significantly from those in North or South India. This diversity creates a large market for varied styles, allowing jewellers to cater to regional preferences. The variation in regional design needs drives the demand for localized production and marketing strategies.

Chart 34: Indian Mangalsutra Market Size (CY18-CY32)



Source: IMARC Group, CareEdge Research

In CY23, the Indian mangalsutra market reached Rs. 178 billion showing a y-o-y growth of ~16%. In CY24 the Indian mangalsutra market is expected to grow by 8% y-o-y to Rs. 192 billion. The market is expected to grow at a compounded annual growth rate (CAGR) of 5.8% in the next 10 years to Rs 303 billion in CY32.

The trend towards customization and personalization is growing in the jewellery industry, including for Mangalsutras. Customers increasingly seek unique designs tailored to their tastes and preferences. Customization options, which allow clients to choose specific patterns, designs, and materials, are becoming more popular among jewellers. This trend for personalized Mangalsutras meets the desire for distinctiveness and individual expression.

6.2 Segments of the Indian Mangalsutra Market -Market Type

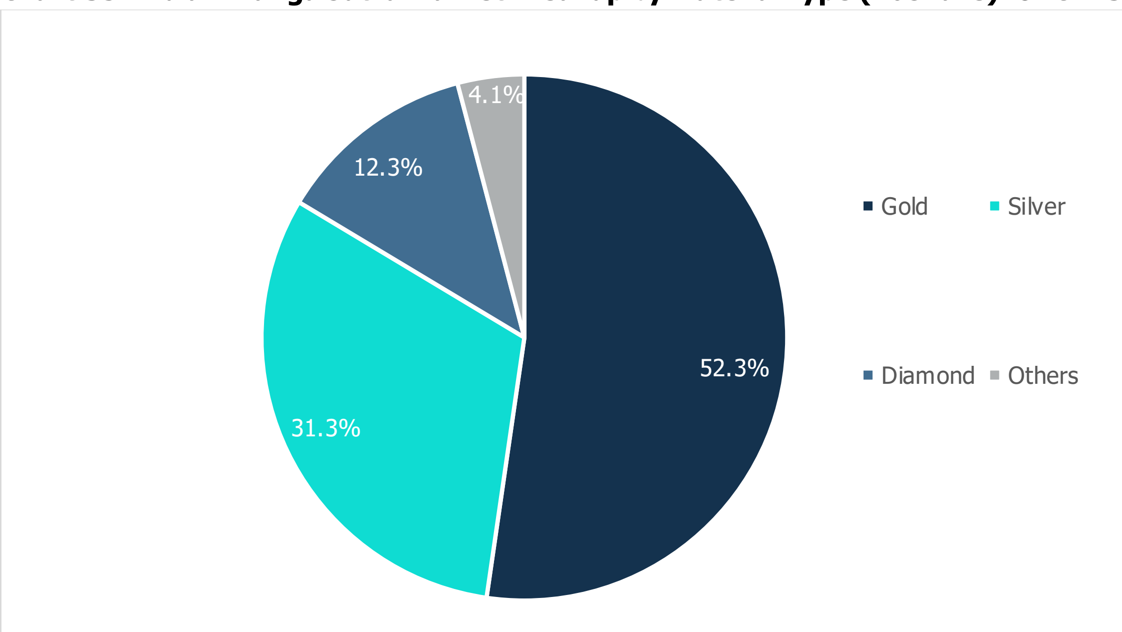
The mangal sutra, a traditional necklace worn by married Indian women, is available in various materials, each with its unique traits and cultural importance.

Mangalsutra Market is further divided as per material type. Gold Mangalsutras comprise of majority of the market share with 52.3% approximately. Following gold there are Silver Mangalsutras with a 31.3% market share and Diamond Mangalsutras with a 12.3% market share.

Gold mangal sutras dominate the market due to their high value, durability, and timeless appeal. Silver ranks second, offering a more affordable and simple alternative. With the rise of lab-grown diamonds, diamond mangal sutras are also becoming more accessible, placing them third in popularity after silver.

Each material provides distinct benefits, whether it's the enduring elegance of gold, the modern allure of platinum, or the cost-effectiveness of silver and fashion jewellery. Ultimately, the choice of material depends on individual taste, budget, and the personal or cultural significance of the mangal sutra

Chart 35: Indian Mangalsutra Market Breakup by Material Type (% share) for CY23



Source: IMARC Group, CareEdge Research
Note: Others include: Beads, Synthetic Metals, Semi-Precious stones, Crystals, Cubic Zirconia, etc.

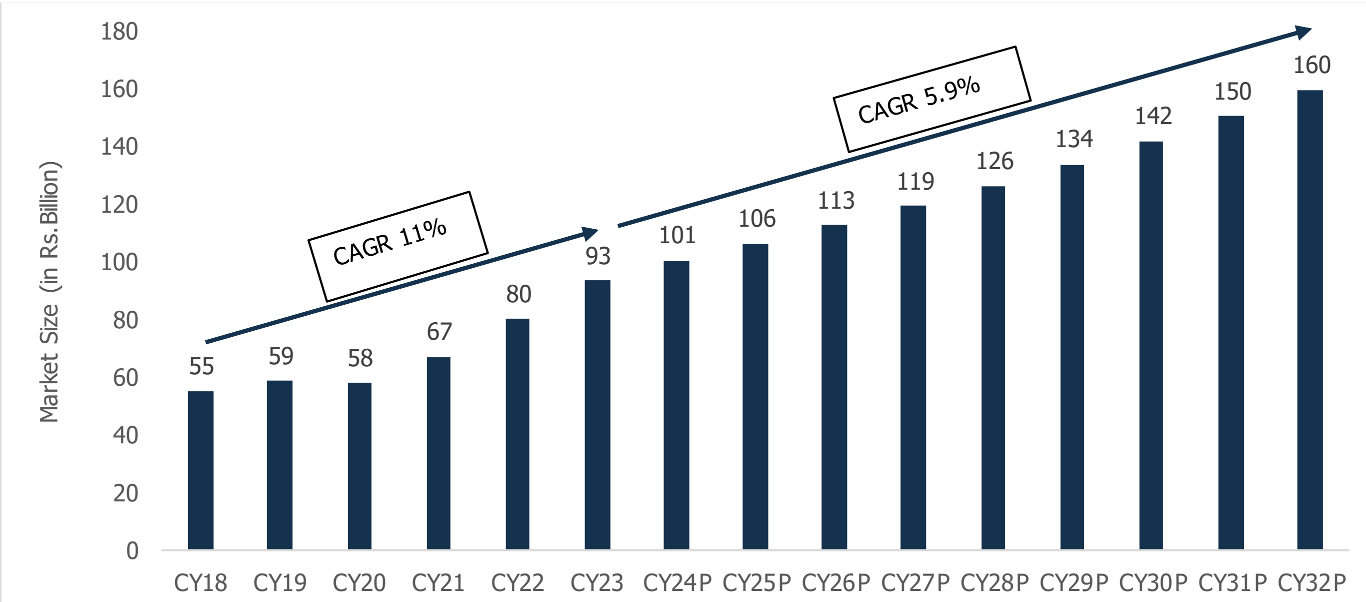
Mangalsutra Market is further divided as per material type. Gold Mangalsutras comprise of majority of the market share with 52.3% approximately. Following gold there are Silver Mangalsutras with a 31.3% market share and Diamond Mangalsutras with a 12.3% market share.

6.2.1 Gold Mangalsutra

In India, gold is deeply embedded in cultural and religious traditions. It plays a vital role in numerous rites and ceremonies, especially weddings, and is considered highly auspicious. The Mangalsutra, a symbol of marriage, is traditionally made from gold to align with these customs. Gold is chosen for Mangalsutras due to its association with wealth, purity, and divine blessings, which helps preserve the tradition across generations.

Gold is also widely recognized as a dependable and secure investment. Its enduring value and historical appreciation make it a safe haven during economic uncertainties. Many Indian families view purchasing gold jewellery, like Mangalsutras, as a way to safeguard their wealth. The consistent demand for gold is driven by its investment potential, ensuring that Mangalsutras are valued not only for their cultural sign driven by its investment potential, ensuring that Mangalsutras are valued not only for their cultural significance but also for their potential financial benefits.

Chart 36: Indian Mangalsutra Market: Gold (in INR Billion), (CY18-CY32)



Source: IMARC Group, CareEdge Research

In CY23, the Indian Gold Mangalsutra market reached Rs. 93 billion showing a y-o-y growth of ~16%. In CY24 the Indian gold mangalsutra market is expected to grow by 7.9% y-o-y to Rs. 101 billion. The market is expected to grow at a compounded annual growth rate (CAGR) of 5.9% in the next 10 years to Rs 160 billion in CY32.

Majorly this growth will be supported due to its unique physical properties. Its flexibility, malleability, and resistance to tarnish ensure that gold Mangalsutras will maintain their appearance and structural integrity over time. These qualities make gold a popular choice for everyday jewellery, such as Mangalsutras, which need to withstand regular wear while retaining their charm.

Moreover, jewellery brands actively promote gold Mangalsutras by highlighting their quality, cultural importance, and investment potential. Through strategic promotions, endorsements, and advertising, brands emphasize the benefits of choosing gold. This targeted marketing boosts the demand for gold Mangalsutras, influencing customer perceptions and preferences.

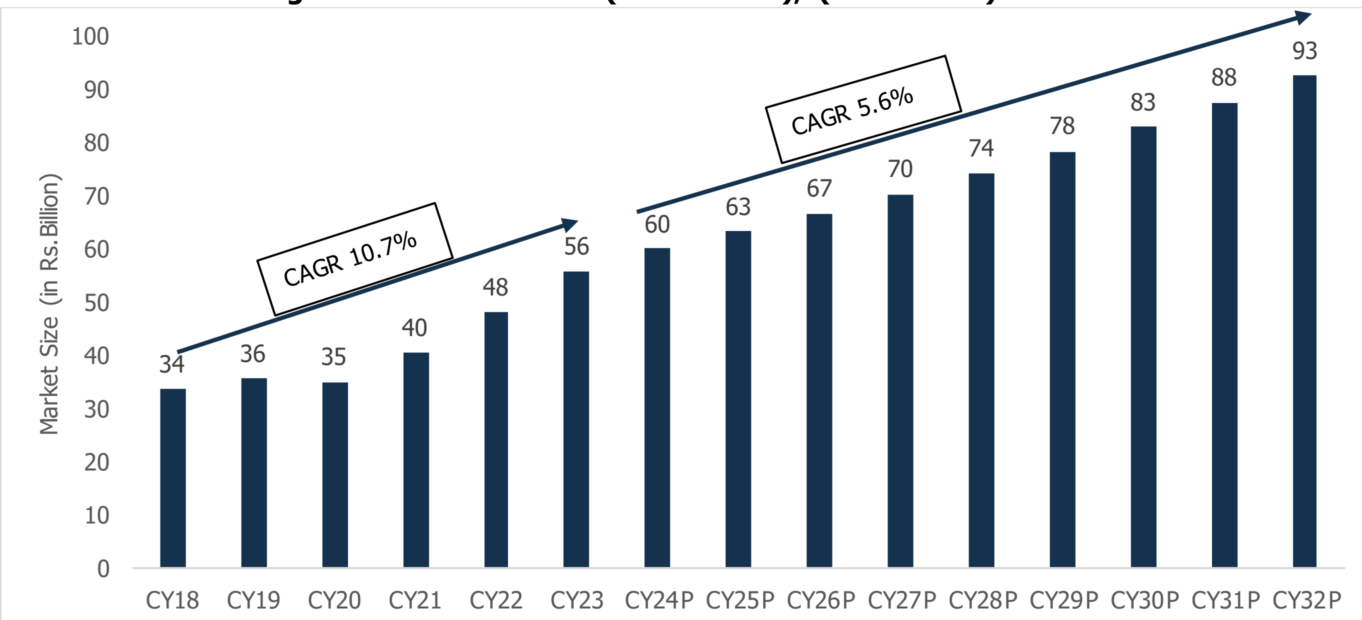
6.2.2 Silver Mangalsutra

Silver is significantly cheaper than gold, making it an attractive option for budget-conscious customers. The lower cost of silver makes Mangalsutras more accessible to a larger audience, including those from middle and lower-income groups who might otherwise be unable to afford them, without diminishing their symbolic significance.

Additionally, silver's flexibility and malleability allow for a wide array of stylish and modern designs. Younger consumers, especially those planning contemporary urban weddings, often seek out chic Mangalsutras to complement their everyday attire.

Silver Mangalsutras offer a diverse range of styles that blend traditional and modern elements, catering to this demand. Many fashion-forward shoppers prefer silver for its versatility and the opportunity to explore various styles and patterns.

Chart 37: Indian Mangalsutra Market: Silver (in INR Billion), (CY18-CY32)



Source: IMARC Group, CareEdge Research

In CY23, the Indian Silver Mangalsutras market reached Rs. 56 billion showing a y-o-y growth of ~16%. In CY24 the Indian silver mangalsutra market is expected to grow by 7.5% y-o-y to Rs. 60 billion. The market is expected to grow at a compounded annual growth rate (CAGR) of 5.6% in the next 10 years to Rs 93 billion in CY32.

Moreover, Silver Mangalsutras are often favoured for everyday wear due to their lighter weight compared to gold ones. Many women prefer lightweight jewellery that doesn't impede their daily activities, and silver Mangalsutras meet this need, offering a practical alternative to heavier gold jewellery and enhancing their appeal for daily use.

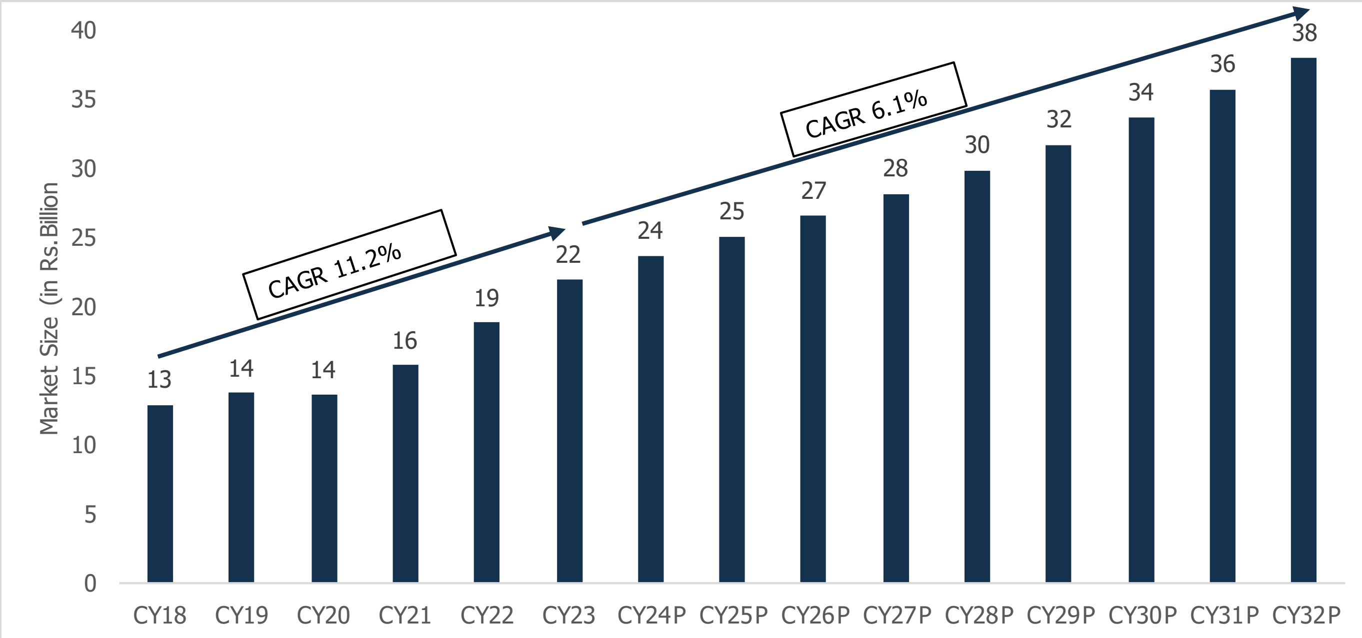
Additionally, silver is associated with traditional beliefs and potential health benefits. It is thought to possess antibacterial properties and contribute to the wearer's well-being, among other advantages. These beliefs further boost the popularity of Silver Mangalsutras, particularly among those who value the perceived health benefits of silver.

6.2.3 Diamond Mangalsutra

Diamonds are globally seen as symbols of luxury, wealth, and prestige. Incorporating diamonds into Mangalsutras elevates them from a traditional symbol of marriage commitment to a luxurious and distinguished piece of jewellery. The high demand for diamond Mangalsutras reflects their status as a marker of affluence and social standing.

As disposable incomes in India have risen, particularly among the urban middle and upper classes, there has been a growing interest in luxury items like diamond jewellery. This increase in economic prosperity allows more individuals and families to afford the more elegant and expensive Mangalsutras adorned with diamonds, driven by their enhanced purchasing power and desire for opulent jewellery.

Chart 38: Indian Mangalsutra Market: Diamond (in INR Billion), (CY18-CY32)



Source: IMARC Group, CareEdge Research

In CY23, the Indian diamond mangalsutra market reached Rs. 22 billion showing a y-o-y growth of ~16.5%. In CY24 the Indian diamong mangalasutra market is expected to grow by 8% y-o-y to Rs. 24 billion. The market is expected to grow at a compounded annual growth rate (CAGR) of 6.1% in the next 10 years to Rs 38 billion in CY32.

Certain Indian communities, such as the Sindhi and Gujarati, have a strong preference for diamond Mangalsutras due to their fondness for diamond jewellery. The choice of diamonds in the jewellery worn by celebrities at their weddings has also significantly influenced the content of Mangalsutras. Increased exposure to global trends and lifestyles has led more customers to seek diamond jewellery. This shift is supported by a growing societal acceptance of diamonds in traditional jewellery, including Mangalsutras. The growing demand for lab-grown diamonds market may also boost the demand for diamond mangal sutras in the coming years.

Additionally, the ability to personalize diamond Mangalsutras to suit individual tastes is a major factor driving their popularity. Customers looking for unique and custom-made pieces can choose the type, number, and arrangement of diamonds, allowing for personalized designs. This demand for customization enhances the appeal of diamond Mangalsutras, catering to those seeking distinctive and tailored jewellery.

6.2.4 Others metal Mangalsutra

Beads, synthetic metals, and semi-precious stones offer more affordable alternatives to traditional gold and diamond Mangalsutras. Their lower cost makes them accessible to a broader audience, including individuals from lower socioeconomic backgrounds who might not otherwise afford gold or diamond jewellery. This affordability allows customers to buy multiple pieces for various occasions, expanding the market for Mangalsutras made from these alternative materials.

As the fashion market continually evolves, there is increasing demand for stylish jewellery, particularly among younger consumers. Mangalsutras made from crystals, trendy metals, and cubic zirconia align with current fashion trends. These materials offer a diverse range of designs, colours, and styles that cater to the ever-changing tastes of fashion-conscious buyers.

Additionally, non-traditional materials provide greater opportunities for customization and personalization. Customers can create bespoke Mangalsutras that reflect their style by choosing from a wide array of materials, colours, and designs. This trend towards unique and personalized jewellery appeals to those seeking distinctive and meaningful pieces, driving the demand for custom and handcrafted jewellery made from various materials.

6.2.5 Key Growth Drivers

- **Cost-Effective Lab-Grown Diamonds**: Innovations in lab-grown diamonds and other budget-friendly alternatives broaden the range of choices and make mangal sutras more accessible.
- **Variety of materials available**: the availability of various materials, including gold, silver, platinum, and mixed metals, meets a wide range of consumer preferences and budgets.

6.2.6 Key Constraints

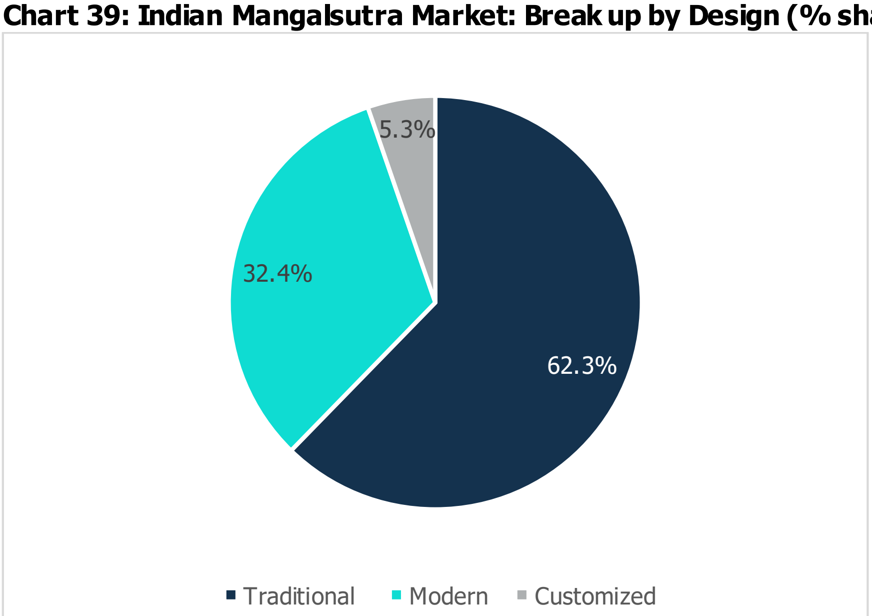
- **High-Value Material:** The materials used in mangal sutras like gold and silver are high-value metals. Rising costs of raw materials and manufacturing can lead to higher prices, potentially deterring price-sensitive consumers.
- **Economic Conditions**: Recessions or economic slowdowns can reduce consumer spending power, affecting the purchase of luxury items like mangal sutras.

6.3 Segments of the Indian Mangalsutra Market - Design Type

The mangal sutra market also varies significantly by design type, catering to different tastes and cultural preferences. Mangalsutra Market is further divided as per design type. Traditional Mangalsutras comprise of majority of the market share with 62.3% approximately After traditional there are modern Mangalsutras with a 32.4% market share and customized Mangalsutras with a 5.3% market share.

Indians' strong adherence to traditions and rituals means that traditional mangal sutras still dominate the market. These typically feature black beads interspersed with gold or silver links, representing the most recognized and culturally ingrained design. Modern mangal sutras follow, with minimalist designs emphasizing simplicity and elegance, often featuring a single pendant or charm. Customized mangal sutras hold the smallest market share at 5.3%, but this is expected to grow significantly due to the rising trend of personalization, which adds a unique, personal touch to the mangal sutra.

Chart 39: Indian Mangalsutra Market: Break up by Design (% share) for CY23



Source: IMARC Group, CareEdge Research

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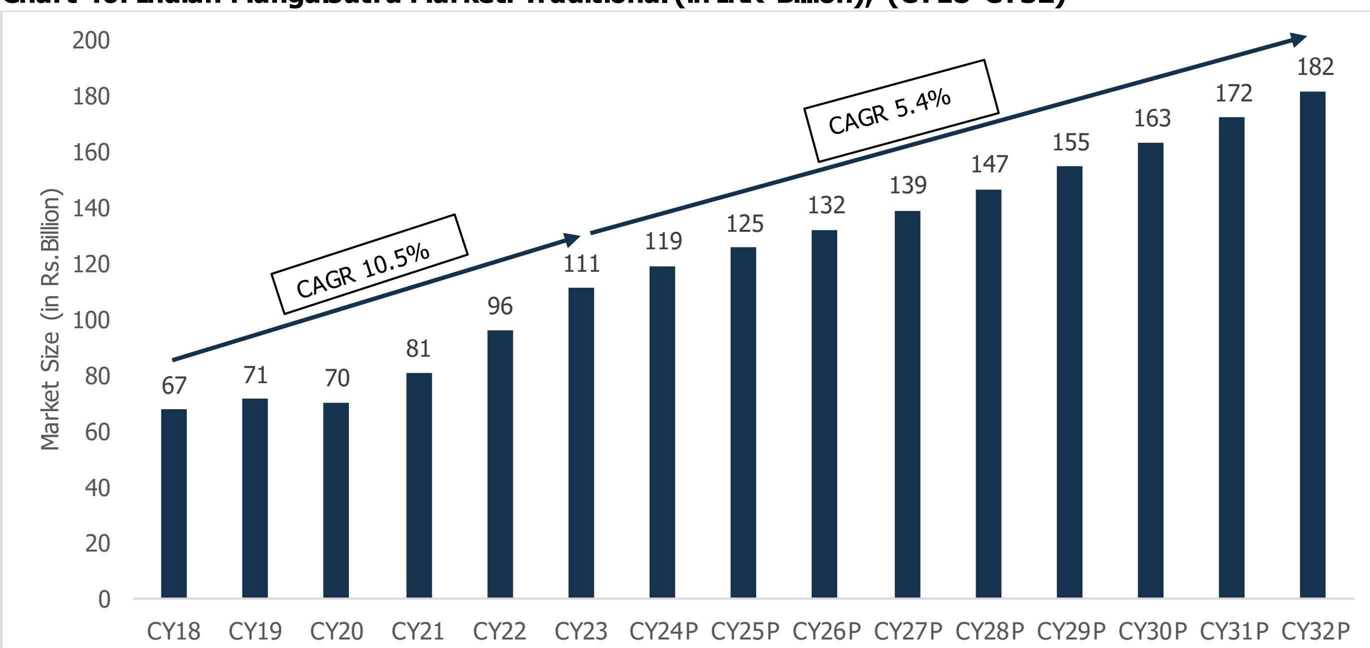
6.3.1 Traditional Mangal sutra

Traditional Mangalsutra designs carry deep cultural and religious meaning. They play a crucial role in Indian weddings, symbolizing the spiritual bond and marital commitment between a husband and wife. These designs often incorporate motifs and patterns from ancient rituals and ceremonies, underscoring their cultural and religious significance. As a result, traditional designs remain highly valued by those wishing to preserve their heritage.

Family heirloom Mangalsutras are commonly passed down through generations, embodying the family's blessings and traditions. These treasured pieces hold significant emotional and sentimental value. Many brides opt for traditional designs that reflect their heritage and family history, influenced by the guidance of elders and a desire to honour ancestral customs. This generational influence helps sustain the appeal of traditional and timeless designs.

Chart 40: Indian Mangalsutra Market: Traditional (in INR Billion), (CY18-CY32)



Source: IMARC Group, CareEdge Research

In CY23, the Indian traditional mangalsutra market reached Rs. 111 billion showing a y-o-y growth of ~15.8%. In CY24, the Indian traditional mangalsutra market is expected to grow by 7.3% y-o-y to Rs. 119 billion. The market is expected to grow at a compounded annual growth rate (CAGR) of 5.4% in the next 10 years to Rs 182 billion in CY32.

India's rich cultural diversity is reflected in its varied jewellery designs, with each region offering unique traditional Mangalsutra styles that feature local materials, craftsmanship, and patterns. For instance, Maharashtra is known for the Kolhapuri Saaj, Tamil Nadu for the Thaali, and Andhra Pradesh for the Nallapusalu. The popularity of these specific designs stems from a strong regional identity and pride in local traditions.

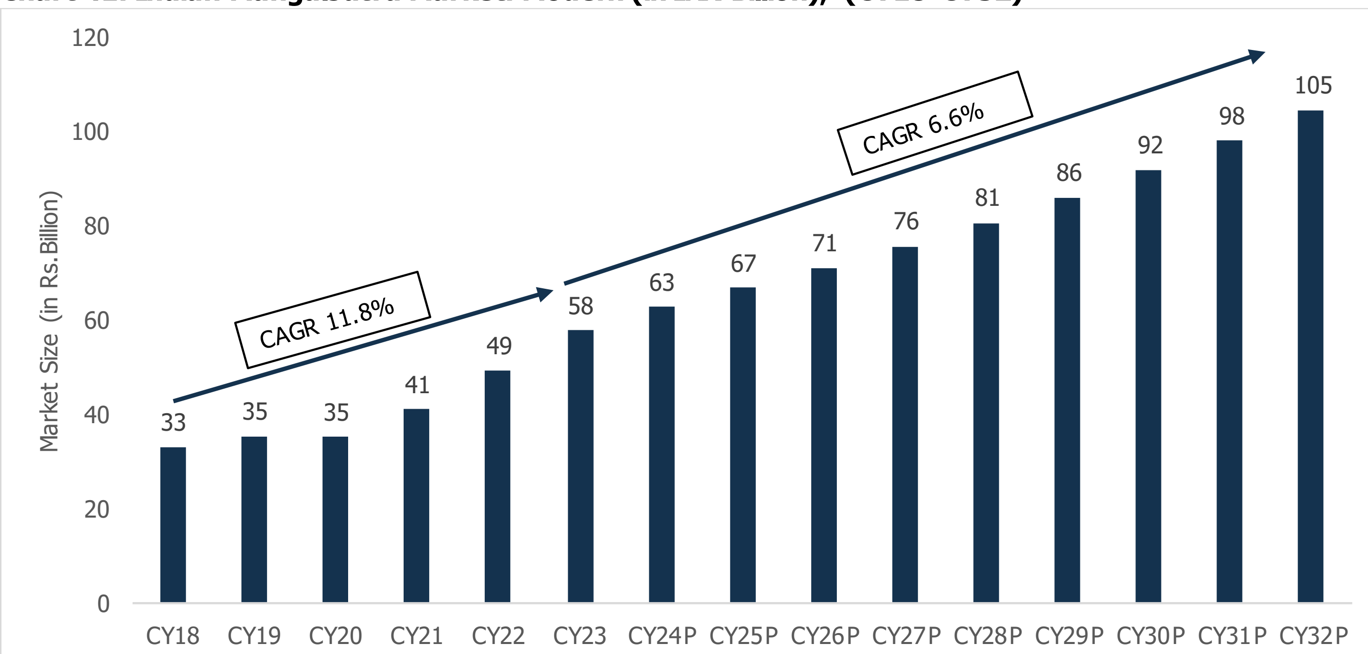
Traditional Mangalsutra designs often carry profound symbolic meanings. Black beads, for example, are believed to ward off negative energies, while gold symbolizes wealth and purity. Additionally, the inclusion of motifs such as flowers, leaves, and religious symbols adds layers of significance to the jewellery.

6.3.2 Modern Mangal sutra

Recently, brides' tastes and preferences have evolved, particularly among the younger generation. Modern brides often seek jewellery that aligns with their personal style and contemporary lifestyle. Contemporary Mangalsutra designs cater to these changing preferences with their sleek lines, minimalist patterns, and innovative motifs. This shift towards modern aesthetics is driven by a desire for unique and trendy pieces that align with current fashion.

Contemporary designs often blend traditional elements with modern styles, creating a fusion that appeals to those who want to embrace modernity while still honouring cultural heritage. Brides can now choose Mangalsutras that are both stylish and relevant to current trends, while still holding cultural significance. The demand for modern designs is fueled by the desire to harmonize tradition with contemporary aesthetics.

Chart 41: Indian Mangalsutra Market: Modern (in INR Billion), (CY18-CY32)



Source: IMARC Group, CareEdge Research

In CY23, the Indian modern mangalsutra market reached Rs. 58 billion showing a y-o-y growth of ~17.1%. In CY24 the Indian modern mangalsutra market is expected to grow by 8.5% y-o-y to Rs. 63 billion. The market is further expected to grow at a compounded annual growth rate (CAGR) of 6.6% in the next 10 years to Rs 105 billion in CY32

Modern Mangalsutra designs are often more versatile and lightweight, making them suitable for both formal occasions and everyday wear. Their practicality and ease of transitioning from formal to casual settings make them particularly attractive to working women and those with active lifestyles. This versatility ensures that modern designs can be worn beyond wedding ceremonies.

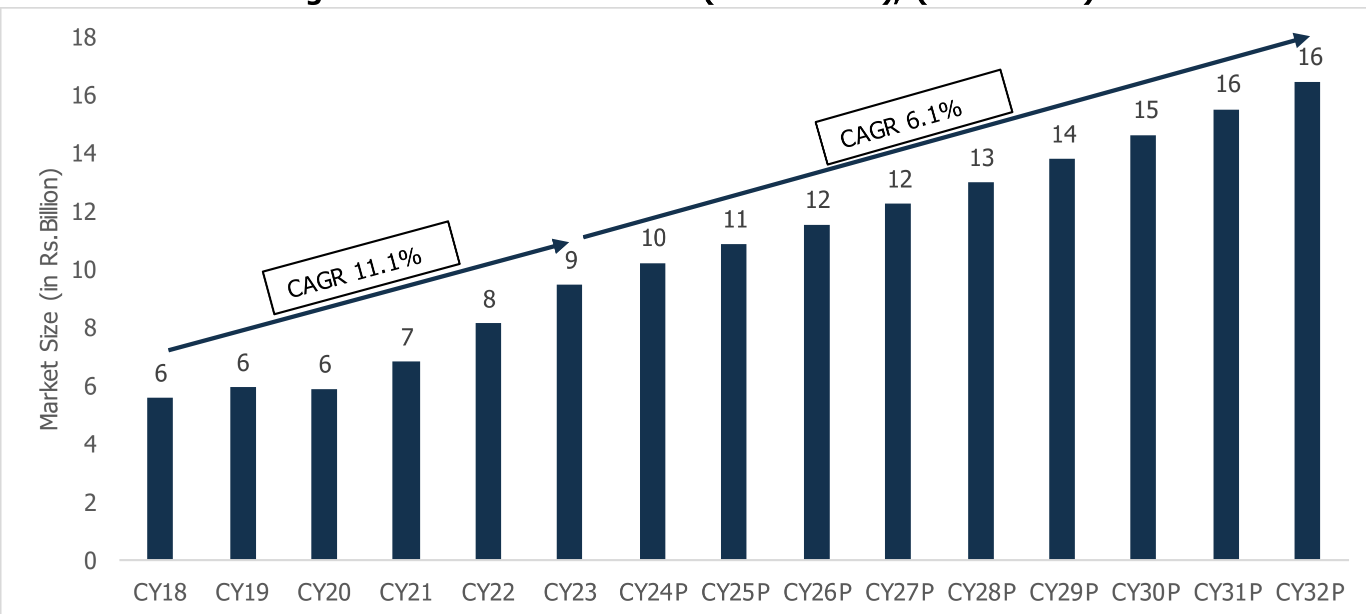
Additionally, the rise of social media platforms like Pinterest and Instagram has provided a stage for showcasing contemporary jewellery designs. Expectant brides frequently turn to these platforms for inspiration and trends. The visibility of modern Mangalsutras on social media, coupled with endorsements from celebrities and fashion influencers, enhances their appeal. Social media trends and digital influence significantly impact the popularity of modern designs.

6.3.3 Customized Mangal sutra

The demand for customized Mangalsutras is largely driven by the desire for individuality and personal expression. Today's consumers seek jewellery that reflects their unique tastes, personal stories, and style. Customizing a Mangalsutra allows individuals to incorporate special elements like birthstones, initials, or bespoke designs, making each piece uniquely theirs. This craving for personalized and distinct designs is fueling the market for bespoke creations.

Customized Mangalsutras often carry deep emotional significance. By adding unique designs and personal touches, these pieces transform from mere jewellery into cherished keepsakes that symbolize important relationships, life events, and personal milestones. The growing market for personalised jewellery reflects the high demand for Mangalsutras which offer sentimental value and emotional resonance.

Chart 42: Indian Mangalsutra Market: Customized (in INR Billion), (CY18-CY32)



Source: IMARC Group, CareEdge Research

In CY23, the Indian customized mangalsutra market reached Rs. 9 billion showing a y-o-y growth of ~16.3%. In CY24 the Indian customized mangalsutra market is expected to grow by 8.3% y-o-y to Rs. 10 billion. The market is expected to grow at a compounded annual growth rate (CAGR) of 6.1% in the next 10 years to Rs 16 billion in CY32.

Customization is a tactic used by jewellery companies to distinguish themselves from competitors and offer unique services to their clients. By providing personalized options, businesses create a distinctive selling point that attracts specialized markets and builds loyal customer bases. Clients who seek exclusive and tailor-made jewellery are drawn to brands that offer this level of individuality and personalized service. The focus on customization by jewellery makers drives the market for personalized Mangalsutras.

The popularity of customized Mangalsutras is significantly influenced by social media and celebrity endorsements. Social media platforms allow customers to showcase their unique and personalized jewellery, inspiring others to seek similar customizations. Additionally, when celebrities wear customized pieces, their public appearances help popularize the trend and boost demand for bespoke Mangalsutras.

6.3.4 Key Growth Drivers

• **Personalization Driving New Trends**: Modern brides are increasingly drawn to wearing mangal sutras daily thanks to customization options. Personalized engravings and unique design elements cater to those seeking meaningful and distinctive jewellery.

- **Social Media Enhancing Design Visibility**: Social media platforms are instrumental in marketing, allowing businesses to display a wide array of mangal sutra designs. From traditional to contemporary styles, a diverse range of options is now readily accessible.

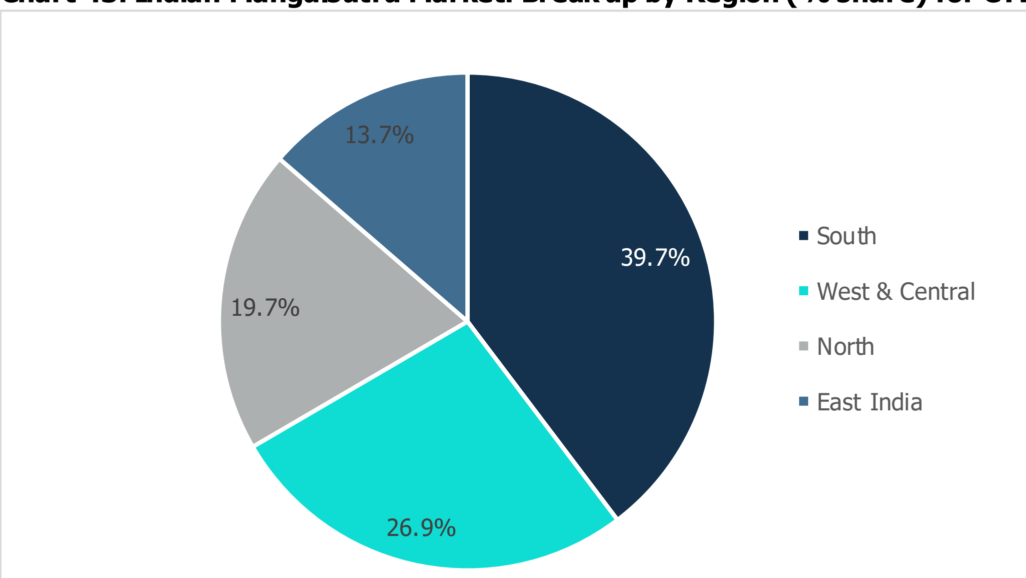
6.3.5 Key Constraints

- **Evolving Traditions Impacting Traditional Designs:** As lifestyles change, younger generations might favour different marriage symbols or opt for alternative wedding jewellery. The influence of global fashion trends could diminish the cultural significance of traditional pieces like mangal sutras.
- **Issues with Low-Quality and Counterfeit Mangalsutras:** The rise of counterfeit or poorly made imitations can erode consumer trust and compromise market integrity. Variations in material quality or craftsmanship can affect consumer satisfaction and harm brand reputation.

6.4 Segments of the Indian Mangalsutra Market -Region Type

Each region's market for mangal sutras is shaped by its cultural heritage, local preferences, and evolving trends, contributing to a diverse and dynamic marketplace across India. Traditional practices and local customs strongly influence the design and material choices for mangal sutras. Mangalsutra Market is further divided as per region. Southern India comprises of majority of the market share with 39.7% approximately, followed by the western and central regions comprising 26.9% market share, the northern region with 19.7% market share, and lastly East India with 13.7% market share. In South India, the wedding market is growing due to the elaborate ceremonies and rituals that elevate the demand for Mangalsutras as a key and symbolic part of bridal attire.

Chart 43: Indian Mangalsutra Market: Break up by Region (% share) for CY23



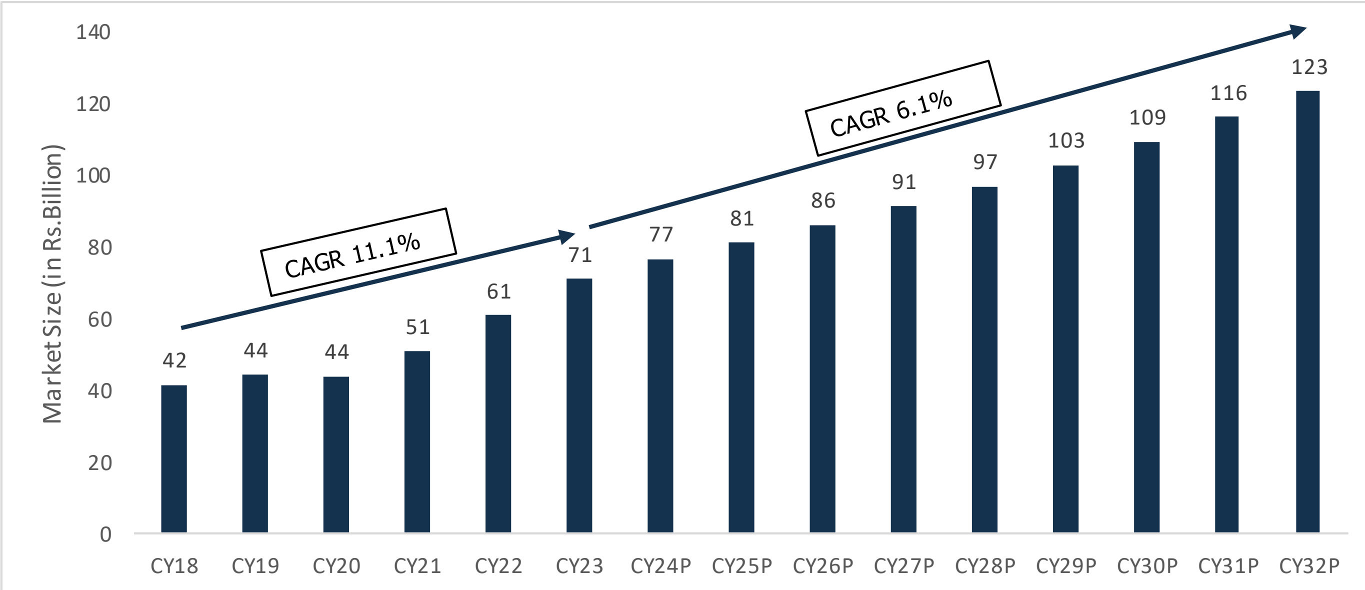
Source: IMARC Group, CareEdge Research

6.4.1 South India

In South Indian culture, the Mangalsutra is deeply significant, representing marital status, auspiciousness, and protection for married women. This cultural importance ensures a consistent demand, especially during weddings and religious ceremonies. Demand for Mangalsutras typically peaks during wedding seasons and festive occasions like Diwali, Pongal, and other regional celebrations, which highlight the tradition of buying and gifting jewellery.

Jewellery stores often offer a wide array of designs and customization options to suit the diverse tastes and preferences of different South Indian communities, catering to a broad customer base. Beyond its visual appeal, the Mangalsutra holds sentimental value for families, frequently being passed down through generations or given on important occasions, thereby sustaining strong market demand.

Chart 44: Indian Mangalsutra Market: South India (in INR Billion), (CY18-CY32)



Source: IMARC Group, CareEdge Research

In CY23, the Indian south indian mangalsutra market reached Rs. 71 billion showing a y-o-y growth of ~16.6%. In CY24 the South Indian mangalsutra market is expected to grow by 8.1% y-o-y to Rs. 77 billion. The market is expected to grow at a compounded annual growth rate (CAGR) of 6.1% in the next 10 years to Rs 123 billion in CY32.

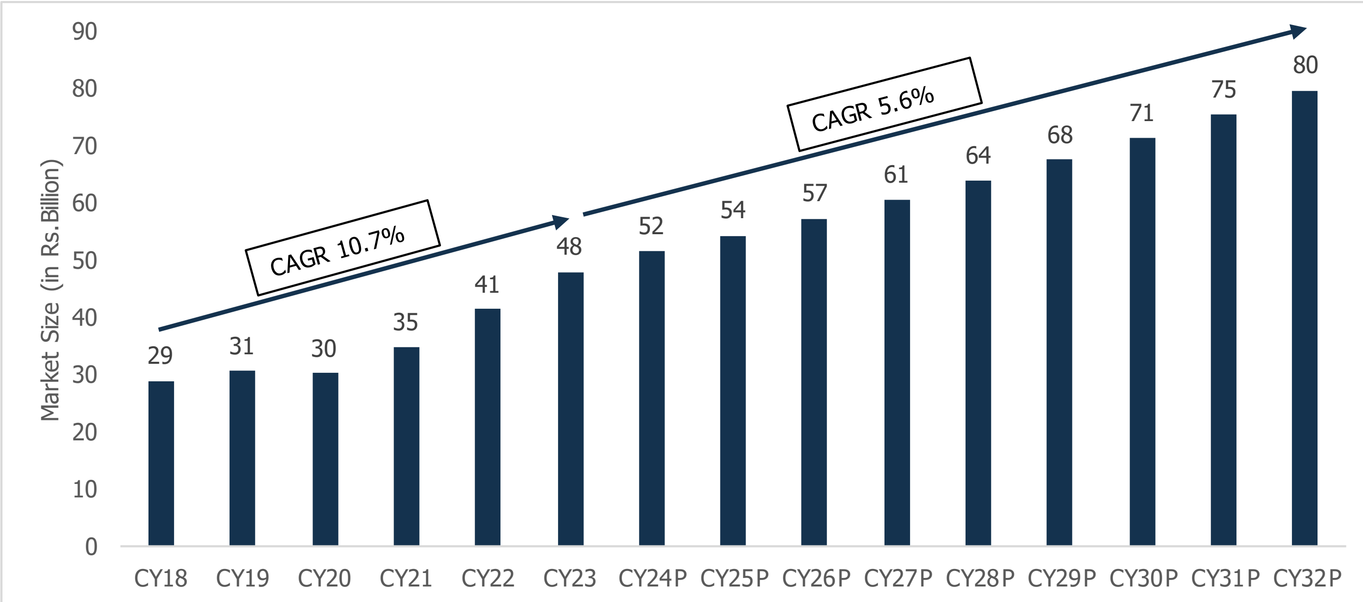
Economic growth and rising disposable incomes in both urban and rural areas of South India are making it possible for more households to afford and invest in traditional jewellery items like the Mangalsutra. Additionally, there is a noticeable revival of cultural heritage among younger generations, which is driving increased demand for authentic and intricately crafted Mangalsutras.

Furthermore, the expansion of e-commerce platforms and online marketing strategies is broadening the reach of Mangalsutras, allowing them to connect with a larger audience, including those in the diaspora, and thereby extending their market presence beyond local areas.

6.4.2 West and Central India

In the Western and Central regions of India, demand surges during wedding seasons and major festivals like Diwali and Dussehra, which are times when jewellery purchases are common. Demand is also influenced by changing designs and evolving preferences. Modern versions of Mangalsutras adapt to contemporary tastes while maintaining traditional elements. In areas such as Maharashtra and Gujarat, where marriage ceremonies are highly significant, Mangalsutra sales are particularly strong due to their ceremonial importance.

Chart 45: Indian Mangalsutra Market: West and Central India (in INR Billion), (CY18-CY32)



Source: IMARC Group, CareEdge Research

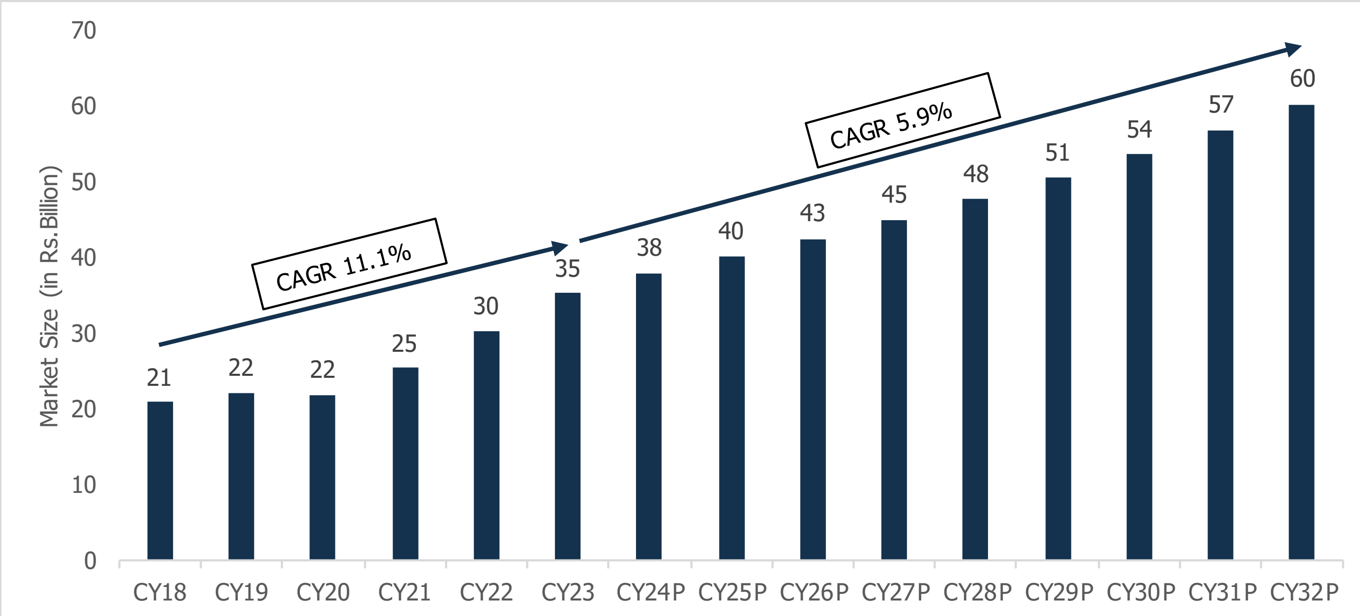
In CY23, the West and Central India Mangalsutras market reached Rs. 48 billion showing a y-o-y growth of ~16%. In CY24 the Indian jewellery market is expected to grow by 7.5% y-o-y to Rs. 52 billion. The market is expected to grow at a compounded annual growth rate (CAGR) of 5.6% in the next 10 years to Rs 80 billion in CY32.

In urban centres within these regions, there is a noticeable increase in demand for Mangalsutras, driven by exposure to modern fashion trends and effective marketing strategies employed by jewellery brands. Celebrity endorsements and popular media have a significant impact on shaping consumer preferences, resulting in a heightened demand for particular styles and designs of Mangalsutras. This trend plays a crucial role in the overall market expansion in these areas. Furthermore, economic factors, such as growing disposable incomes among middle-class families, are also key drivers of increased expenditure on traditional jewellery items like the Mangalsutra.

6.4.3 North India

Different regions in North India feature unique styles and designs of Mangalsutras, which influence local market preferences. Increasing disposable income among middle and upper-middle-class families has led to higher spending on wedding jewellery, including Mangalsutras. Additionally, changes in gold prices affect buying habits, with consumers often opting for lighter or more budget-friendly options when gold prices are high.

Chart 46: Indian Mangalsutra Market: North India (in INR Billion), (CY18-CY32)



Source: IMARC Group, CareEdge Research

In CY23, the North India mangalsutra market reached Rs. 35 billion showing a y-o-y growth of ~16.4%. In CY24 the North India mangalsutra market is expected to grow by 7.9% y-o-y to Rs. 38 billion. The market is further expected to grow at a compounded annual growth rate (CAGR) of 5.9% in the next 10 years to Rs 60 billion in CY32

Urbanization often brings about lifestyle changes and increased exposure to various styles, leading to a growing demand for contemporary and fusion designs that blend traditional elements with modern aesthetics. Fashion trends have a major impact on the jewellery market, and heightened exposure to global fashion trends via media, social media, and fashion shows can drive interest in innovative and stylish Mangalsutra designs.

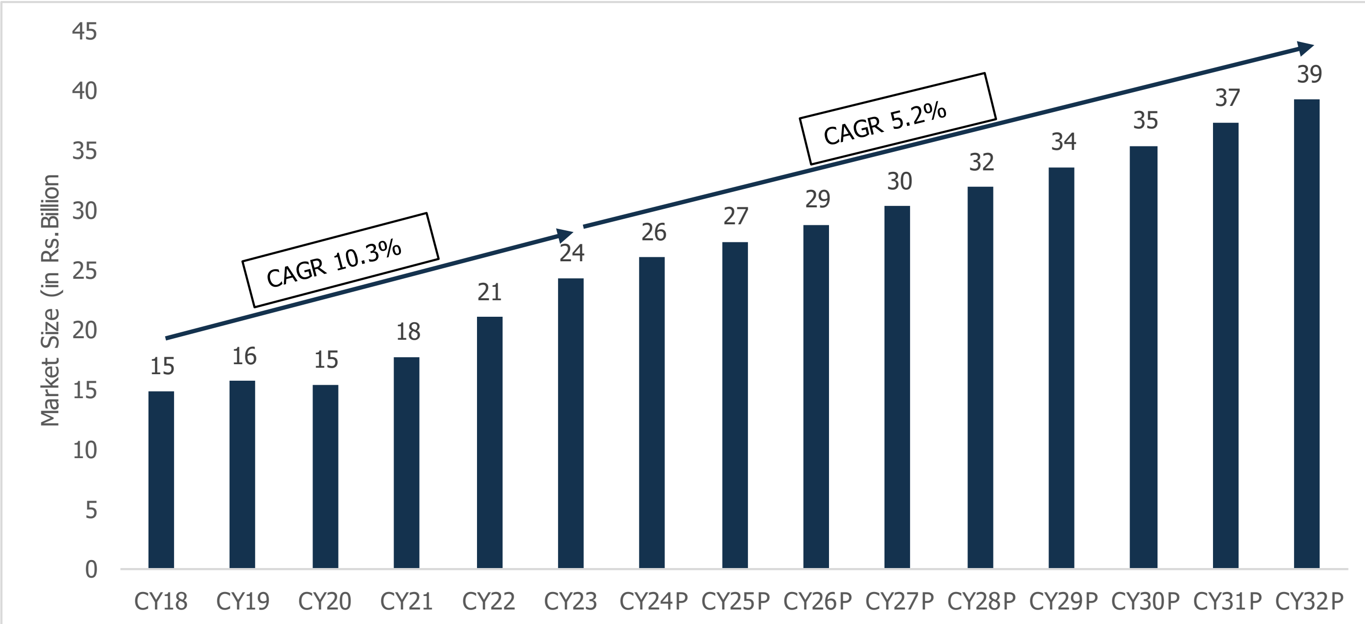
Celebrities and social media influencers play a crucial role in shaping consumer preferences for Mangalsutra designs and brands through their endorsements. Additionally, the rise of e-commerce platforms has made it more convenient for consumers to browse, compare, and purchase Mangalsutras from the comfort of their homes, further contributing to the market's growth in North India.

6.4.4 East India

In East India, the wedding market is particularly dynamic, featuring elaborate ceremonies and rituals where the Mangalsutra is highly valued. Demand remains steady throughout the year due to the frequency of weddings and related celebrations.

The region has a deep-seated appreciation for gold and jewellery, with Mangalsutras holding special significance. Economic factors, cultural preferences, and long-standing traditions all contribute to the sustained high demand for gold ornaments like the Mangalsutra.

Chart 47: Indian Mangalsutra Market: East India (in INR Billion), (CY18-CY32)



Source: IMARC Group, CareEdge Research

In CY23, the East India Mangalsutras market reached Rs. 24 billion showing a y-o-y growth of ~15.6%. In CY24 the Indian jewellery market is expected to grow by 8.3% y-o-y to Rs. 26 billion. The market is expected to grow at a compounded annual growth rate (CAGR) of 5.2% in the next 10 years to Rs 39 billion in CY32.

In East India, the Mangalsutra's ritualistic importance, combined with a trend towards modernized but traditional designs, sustains its lasting demand. Jewellers are adapting to changing tastes by offering innovative designs that blend cultural authenticity with contemporary style, especially appealing to younger consumers. This shift is anticipated to drive market growth.

Jewellery brands that execute effective marketing campaigns, highlighting the craftsmanship, authenticity, and cultural significance of Mangalsutras, have the potential to significantly influence consumer preferences and boost sales.

6.4.5 Key Growth Drivers

- **Regional Stores and Preferences:** Due to India's cultural diversity, mangal sutra preferences vary across different regions. To address this, both organized and unorganized companies offer region-specific designs and material options, expanding market opportunities for mangal sutras.
- **Celebrity and Influencer Impact:** Social media influencers and celebrities from various regions shape fashion trends and consumer tastes. Customers are often influenced by figures with regional connections, making them more likely to follow their style preferences.

6.4.6 Key Constraints

- **E-commerce Issues:** Online platforms sometimes result in fraud and delivery of incorrect products. There can be discrepancies between the items displayed in photos and the actual products received.
- **Scarcity of Issues**: The limited supply of precious metals and gemstones, due to environmental concerns or resource depletion, may lead to higher costs and affect market stability.

7 Outlook

The gems & jewellery industry's performance has been weak in the first half of CY24. However, the demand is expected to improve in the second half, led by purchasing during the festivals and holidays. The demand is expected to further revive in subsequent years driven by the moderation of inflation and alleviation of global geopolitical issues. Also, the domestic growth is likely to be driven by resilience in demand, particularly during the festive and wedding seasons and expansion by organized jewellery retailers across pan-India.

Most of the demand for gold jewellery comes from the domestic market. The demand for gold jewellery in India is still primarily driven by weddings and festivals, with bridal jewellery alone accounting for more than half of the market. Long-term trends in economic growth, wage growth and wealth division will all influence the demand for gold jewellery in India.

Gold demand in rural communities usually picks up after the harvest season. Harvesting of Kharif crops runs from September until November and about 70% of Indian agricultural production takes place during the Kharif season. During the festivals of Diwali and Akshaya Tritiya, it is considered extremely auspicious to buy gold. Dhanteras (the first day of Diwali) usually falls during October or November, and Akshaya Tritiya between late April and early May. On average around 40-60 tonnes of gold are sold in India during these two auspicious festivals alone. The continued momentum in demand for gold jewellery, coupled with an increased footprint of organized jewellery retailers, is expected to result in healthy growth of the industry in the medium term.

Besides, India remains one of the leading exporters of gold jewellery. In May 2022, it was announced that 90% of Indian products will be eligible for duty-free entry into the UAE under the Comprehensive Economic Partnership Agreement (CEPA). As products sold there are shipped to other nations, this will have a significant impact on international trade in the medium term. The impact can already be seen in the import-export of gold jewellery.

Higher food and fuel inflation and rising gold prices are likely to have an impact on discretionary spending by consumers. Recently gold prices reached an all-time high of around USD 2,352 troy per ounce. Further, with the weakening of the rupee, gold would become costlier in India affecting the demand. The rural demand may also be impacted in case the rainfall impacts crop sowing during the season.

Any increase in demand in the short term may be gradual and restricted unless there is a significant decrease in prices. Furthermore, it is projected that the current pattern of muted demand for jewellery will continue over the coming months, with a possible rise during the start of the festival season in the second part of Q2FY25. Recently, the sharp decline in BCD of gold and silver metals will likely strengthen the jewellery demand in the long term, going forward. All of these factors will augur well for the mangal sutra market as most of the mangal sutras are made of gold metal.

The trend towards customization and personalization is growing in the jewellery industry, including for Mangalsutras. Customers increasingly seek unique designs tailored to their tastes and preferences. Customization options, which allow clients to choose specific patterns, designs, and materials, are becoming more popular among jewellers.

This trend for personalized Mangalsutras meets the desire for distinctiveness and individual expression. In CY23, the Indian Mangalsutra market reached Rs. 178 billion showing a y-o-y growth of ~16%. In CY24 the Indian jewellery market is expected to grow by 8% y-o-y to Rs. 192 billion. The market is expected to grow at a compounded annual growth rate (CAGR) of 5.8% in the next 10 years to Rs 303 billion in CY32.

The surge in weddings is also driving growth in the jewellery industry, as bridal jewellery purchases increase with each wedding. This growth underscores the wedding sector's recovery from pandemic downturns and its role as a major economic driver, reinforcing its significance in the national economic framework. Jewellery follows as the second-largest expenditure, comprising 22.3%, underscoring the importance of bridal adornments in Indian weddings.

Mangalsutra is a vital part of Indian weddings. Its ritualistic value makes it an essential item for weddings, thereby maintaining a steady market demand. It is not just an ornament but also acts like an investment tool for a large group of people in India. The demand for Mangalsutra is complementary to Jewellery demand, hence the demand trend depicts a similar trend. Hence in long term the market for mangal sutra is expected to remain healthy.

8 Competitive landscape of Key Private Gold Jewellery Wholesalers and Retailers in the Gems and Jewellery Industry in India

8.1 Shringar House Of Mangalsutra Private Limited

Shringar House of Mangalsutra Private Limited, established in 1984 and based in Mumbai, is amongst the leading and specialised designers, and manufacturers of Mangalsutras in India. It contributed to around 6% of the organized Mangalsutra market in India in CY23. Similarly, it holds around 23% market share in the West and Central India Mangalsutra market.

They are recognized for their craftsmanship and are a preferred partner for several prominent jewellery retailers across India. The Company has a presence in international markets like the USA, UK, UAE, etc. They have also launched their own brand under the name of 'ZIYA', selling an exclusive collection of mangalsutras. The company has its registered office in Mumbai, located at B1, Jewel World, Cotton Exchange Building, Kalbadevi Road.

Information	Description
Year of Establishment	1984
Primary Business	Gold Jewellery
Geographical Presence	India

Product Portfolio	
Bridal Mangalsutra Padmavat Mangalsutra God Edition Mangalsutra Santos Mangalsutra Trendsetter Mangalsutra Formal Mangalsutra Fancy Mangalsutra Classic Mangalsutra Micro Mangalsutra Kolhapuri Mangalsutra Temple Mangalsutra	Rose Mangalsutra Glam Mangalsutra Ring Mangalsutra Bracelets Mangalsutra Divine Mangalsutra Rudraksh & Tulsi Mala Maharashtra Mangalsutra Kolkata Mangalsutra Kalki Mangalsutra FIO Mangalsutra

- **Key Financial Information (Standalone):**

Indicative Financials	Unit	FY22	FY23	FY24
Revenue	Rs. Crore	810.65	950.22	1,101.52
Operating Profit Margin	%	3.75	3.98	4.50
Net Profit Margin	%	2.53	2.46	2.82
Return on Capital Employed (ROCE)	%	20.76	29.20	33.12
Debt to Equity	Times	1.19	0.88	0.8
Average inventory turnover	Times	8.88	8.40	8.36

Source: Company Annual Reports & CareEdge Research

8.2 Utssav CZ Gold Jewels

Utssav CZ Gold Jewels have been manufacturing CZ-studded gold jewellery since 2007, with a specialization in 18kt rose gold jewellery. Offering a wide range of jewellery varieties, the company has established a strong presence across India. Through enduring partnerships with reputable wholesalers and retailers, Utssav CZ Gold Jewels consistently receive orders. Engaged in the manufacturing and distribution of hallmarked 18 and 22-carat yellow and white gold CZ-studded jewellery such as rings, earrings, pendants, bracelets, and necklaces, the company's revenue predominantly originates from the domestic market, operating under a B2B model. Notably, it holds a significant market share in the northern region of India. Procurement of gold primarily occurs through bullion players.

Information	Description
Year of Establishment	2007
Primary Business	Gold Jewellery
Geographical Presence	India

Product Portfolio
Plain Gold Jewellery

- **Key Financial Information (Standalone):**

Indicative Financials	Unit	FY22	FY23	FY24
Revenue	Rs. Crore	123.30	238.19	340.20
Operating Profit Margin	%	5.07	5.18	6.25
Net Profit Margin	%	2.52	3.00	3.78
Return on Capital Employed (ROCE)	%	21.97	41.08	54.98
Debt to Equity	Times	2.54	2.22	2.07
Average inventory turnover	Times	4.99	10.56	13.82

Source: Company Annual Reports & CareEdge Research

8.3 RBZ Jewellers Ltd.

RBZ Jewellers Ltd. is a Gujarat-based Company and one of the leading organized manufacturers of gold jewels in India, specializing in antique bridal gold jewellery and distributor to reputable nationwide retailers and significant regional players in India. The Company has an extensive client base spread across 20 states and 72 cities within India.

The Company operates its retail showroom under the brand name "Harit Zaveri" and is an established player in Ahmedabad who offers a variety of gold and other jewellery items at different price ranges. The Company has its modern, well-equipped manufacturing plant and shop showroom located in Ahmedabad. All gold jewellery products in line are hallmarked by BIS and diamond jewellery is certified by various agencies including IGI and GIA.

Information	Description
Year of Establishment	2008
Primary Business	Gold Jewellery
Geographical Presence	India

Product Portfolio
Bridal Collection
Antique Gold Jewellery
Polki Jewellery
Kundan Jewellery

- **Key Financial Information (Standalone):**

Indicative Financials	Unit	FY22	FY23	FY24
Revenue	Rs. Crore	252.11	287.93	327.43
Operating Profit Margin	%	10.62	13.12	11.8
Net Profit Margin	%	5.71	7.76	6.6
Return on Capital Employed (ROCE)	%	30.8	32.5	16.39
Debt to Equity	Times	0.85	1.04	0.3
Average inventory turnover	Times	1.98	1.68	0.44

Source: Company Annual Reports & CareEdge Research

8.4 Sky Gold Ltd.

The brand 'Sky Gold Ltd.' was established in 2008, focusing on the design, production, and promotion of gold jewellery. Operating under a business-to-business (B2B) model, Sky Gold Limited primarily sells its products to mid-range jewellers and boutique stores. These then distribute the products through various channels, including online platforms and retail outlets.

Information	Description
Year of Establishment	2008
Primary Business	Gold Jewellery
Geographical Presence	India

Product Portfolio
Rangi
Marisa
Saathiya
Sovana
Misha
Shaan
Tazim
Kenvar
Zenna
Kimora
Shai
Rose
Bridal

- **Key Financial Information (Standalone):**

Indicative Financials	Unit	FY22	FY23	FY24
Revenue	Rs. Crore	785.70	1153.80	1,745.48
Operating Profit Margin	%	2.58	3.15	4.43
Net Profit Margin	%	2.16	1.61	2.32
Return on Capital Employed (ROCE)	%	30.5	30.6	27.21
Debt to Equity	Times	1.19	1.49	1.22
Average inventory turnover	Times	10.61	13.84	9.34

Source: Company Annual Reports & CareEdge Research

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